Grieg Seafood is a leading
fish farming company

ANNUAL REPORT
2012

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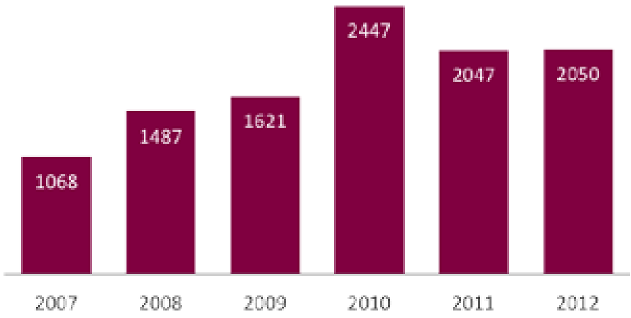
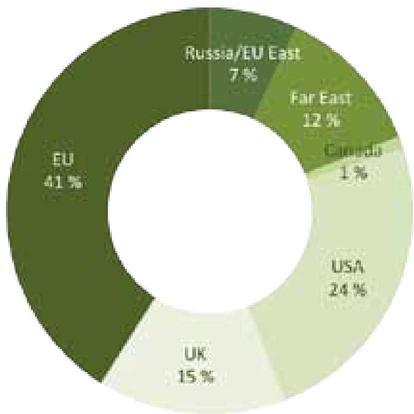
KEY FIGURES

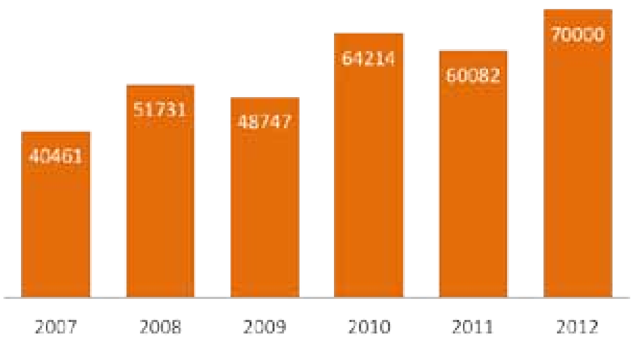
Turnover (MNOK)

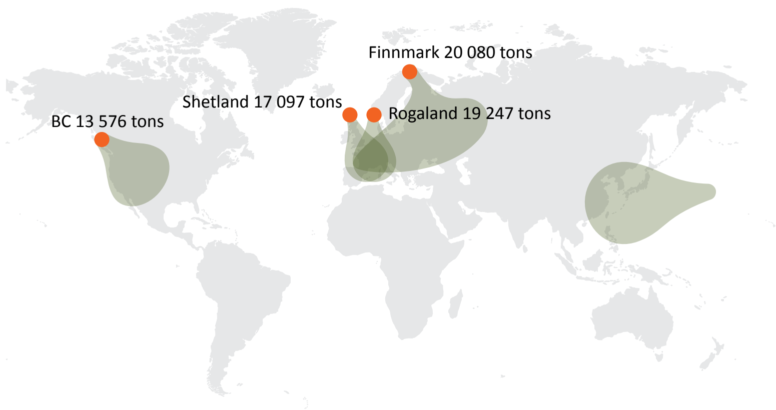


Geographical markets



Harvest volume (GWE)





LETTER FROM CEO MORTEN VIKE

2012: A DIFFICULT YEAR THAT MARKS THE START OF A NEW UPSWING FOR SALMON

2012 was a demanding year, and market prices for salmon remained low throughout the year due to the strongest supply-side growth ever recorded. At the same time, the demand for salmon turned out to be far greater than most people had envisaged. The demand for salmon is now greater than ever before, and for several good reasons. Lower prices and broader distribution, especially in new and large emerging markets, new consumer friendly products and an increased focus on healthy food are all global drivers of the higher demand. There was a marked decline in the supply-side growth rate towards the end of 2012 and this has continued into 2013. The combination of strong demand and lower supply-side growth has resulted in a sharp increase in market prices in 2013. The prospects for improved profitability are therefore good.

Operationally, 2012 was a year of mixed fortunes for Grieg Seafood. The positive development in Norway was maintained in 2012. The development in Rogaland was especially good, and 2012 was yet another year characterised by a decline in production costs per kg. For the second successive year, three out of four of our regions reduced the feed factor, bringing it to the lowest level ever.

In Shetland the biological situation has been demanding, and both the operating and the financial results were highly unsatisfactory. Amoebic gill disease presented a major new challenge in Shetland in 2012. This, along with a demanding lice situation, led to high treatment costs, and an unacceptable level of losses and mortality. Salmon lice are a major challenge and a new lice strategy has been established, based on the standard in Norway. The process of implementation and monitoring is taking place with the assistance of resources and personnel from Norway.

In BC we experienced a serious outbreak of furunculosis in the young fish plant which resulted in the destruction of the entire stocks of biological assets in the plant and substantial financial losses at the end of the year. Operationally, however, the development of sea production in BC has been positive over the last few years, and in 2012 BC recorded its best ever feed factor. A number of improvements have been made at the young fish plant in order to minimise the risk of serious outbreaks of disease of this kind in the future. In the second half of 2012 the American market was greatly affected by a sharp increase in supply-side growth from Chile and prices that were unusually low. Prices in the USA have risen in the first part of 2013 as expected, showing once again that the salmon market is a global market.

Two years ago, as part of our strategy to strengthen our downstream activities and market orientation, we established the Norwegian sales company Ocean Quality AS, along with Bremnes Fryseri AS. Ocean Quality has developed well and in line with our ambitions. It is gratifying that Ocean Quality AS is now established as one of the largest Norwegian exporters of salmon with a profitability that is second to none.

The development in Norway has been positive and in the period ahead the focus will be on further improvements in productivity and costs. At the same time, Grieg Seafood's utilisation of capacity continues to be lower than is the case for most of the other players in Norway. This means that we still have organic growth potential under our existing licences in Norway. We are also well placed for growth through new green licences, especially in the north of Norway. Our main focus will continue to be on growth in Norway.

In Shetland, due to poor operating and biological results, the performance over time has been too weak. The focus will therefore be on production and biology. In conjunction with expertise and systems from Norway, we are intent on ensuring that this focus on operations and biology reverses the trend in Shetland as a matter of priority.

As a result of the outbreak of disease at the young fish plant in BC the harvested volume in 2014 will be lower, but volumes in BC are expected to be back at their historical levels (15-17 000 tons) from 2015. While sea production has developed positively over the last few years, the production of young fish has been unsatisfactory. A number of both organisational and technical initiatives have been implemented in order to address the challenges in the young fish plant. With the production of young fish at a good and stable level, there will be a sound basis for good profitability and an acceptable return on investment in BC.

It is very likely that we are on the verge of a new upswing in the salmon market. We will continue to focus on strengthening our sales and market activities, forging strong customer relations and focusing on category development. The work of ensuring that the market for salmon continues to develop well is just as important in a market with high salmon prices as it is in periods of contraction.

GRIEG SEAFOOD ROGALAND AS

Grieg Seafood farms salmon on 20 grow out licenses and two smolt licenses in Rogaland. The company also operates a salmon hatchery in addition to harvesting and freezing facilities. Grieg Seafood employs 117 people in the region.

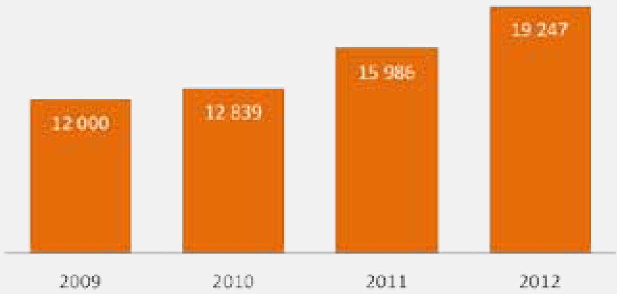
Our business in Rogaland is a result of mergers and acquisitions of smaller fish-farming companies in the region.

During the last five years, the region Rogaland has made substantial investments in recycling technology, and efficiency upgrades on the fish farms. This is to meet the increasingly demanding regulatory and customer requirements.

The Rogaland operations are 100% integrated from roe to harvest fish in the same region. We have unique traceability and transparent biological safety throughout the production cycle - essential in order to meet the farming industry's future challenges. The smolt plant was completed in 2011, and the goal is to be self-sufficient with smolt and enable the production of large smolts. Production capacity is 26 000 tons.

117 employees - 20 farm sites

Harvest volume (GWT)



ROGALAND	2012	2011	2010	2009
Harvest in tons GWE	19 247	15 986	12 839	12 000
Sales revenue TNOK	558 300	547 700	476 100	374 600
EBIT Operational TNOK	50 800	104 200	131 000	65 431
EBIT Operational /kg GWE	2,64	6,52	10,2	5,45

GRIEG SEAFOOD FINNMARK AS

Finnmark is in the northernmost part of Continental Europe, where Norway swings eastward. In the midst of wild and majestic scenery with steep mountains and icy fjords, the conditions are ideal for growing healthy fish of exceptional quality.

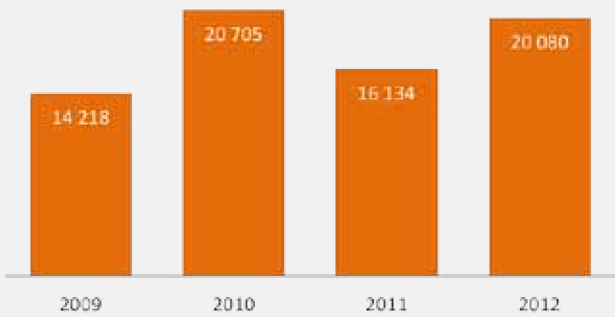
Operations in Finnmark were established in 1978 by Norwegian fish-farming pioneer Harald Volden. In 2006 the Volden Group merged with Grieg Seafood and was renamed Grieg Seafood Finnmark.

Grieg Seafood Finnmark owns and operates the northernmost fish farm in the world, close to the North Cape. Our facilities in Finnmark enjoy the shortest export route to Russia in Norwegian fish farming, including the major cities of Moscow and St. Petersburg. Most of our production is exported to the EU, Russia and Asia.

The farming activities take place in four different regions in western Finnmark. During 2012, one new hatchery in Lakselv completed. The company will eventually be self-sufficient in smolt. The focus on large smolts that will optimize production in the sea is part of our strategy. Processing plants have undergone significant upgrades over the years and today is modern with increased capacity. Production capacity at sea is 28 000 tons.

200 employees, 24 farm sites

Harvest volume (GWT)



FINNMARK	2012	2011	2010	2009
Harvest in tons GWE	20 080	16 143	20 705	14 218
Sales revenue TNOK	519 800	499 900	733 300	446 400
EBIT Operational TNOK	-17 700	55 500	216 200	68 815
EBIT Operational /kg GWE	-0,88	3,44	10,44	4,84

GRIEG SEAFOOD HJALTLAND UK LTD.

Grieg Seafood Hjaltland UK Ltd. has its business in Shetland, with activities on 31 farm sites divided between five clusters. Grieg Seafood Hjaltland UK Ltd is the largest salmon producer in Shetland, employing about 220 people.

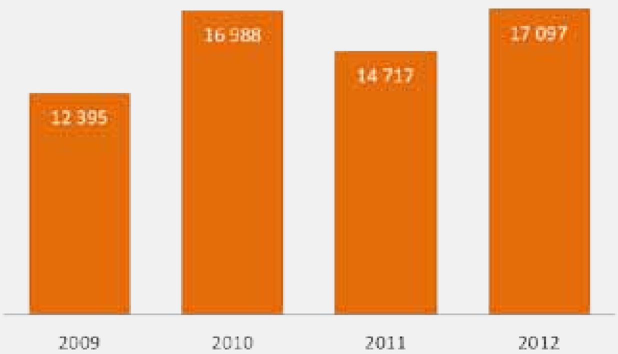
Lerwick Fish Traders Ltd. handles harvesting,. Lerwick Fish Traders Ltd is a fully owned subsidiary of Grieg Seafood Hjaltland UK Ltd. and one of the largest salmon packing and processing companies in Shetland. About 70% of the salmon production is delivered as whole fish, and 30% as various types of fillet. Grieg Seafood Hjaltland UK Ltd has one hatchery under construction, which will be completed during 2013. Shetland will then be self-supplied with smolts. The production capacity is 28.000 tons.

SHETLAND PRODUCTS LTD.

Grieg Seafood Hjaltland UK Ltd has developed a large customer network in the UK, Europe, Far East and North America. The sales department sells its own products through Shetland Products in addition to fish from external producers. Salmon is effectively delivered through distributors to some of the larger UK supermarket chains.

180 employees, 31 farm sites

Harvest volume (GWT)



SHETLAND	2012	2011	2010	2009
Harvest in tons GWE	17 097	14 717	16 988	12 395
Sales revenue TNOK	538 100	511 900	660 300	408 600
EBIT Operational TNOK	-83 700	5 900	178 600	-4 414
EBIT Operational /kg GWE	-4,89	0,4	10,51	-0,36

GRIEG SEAFOOD BC LTD.

Grieg Seafood started farming in Canada in 2001 in Esperanza Inlet on the west coast of Vancouver Island, British Columbia.

The company's activities have expanded in recent years, with farm Nootka Sound and the east coast of Vancouver Island. In January 2007, Grieg Seafood BC Ltd. acquired 8 farms in Sechelt, a small coastal community northwest of Vancouver. Grieg Seafood BC Ltd. operates 21 farm licenses, and has its own hatchery. The production capacity is 20.000 tons.

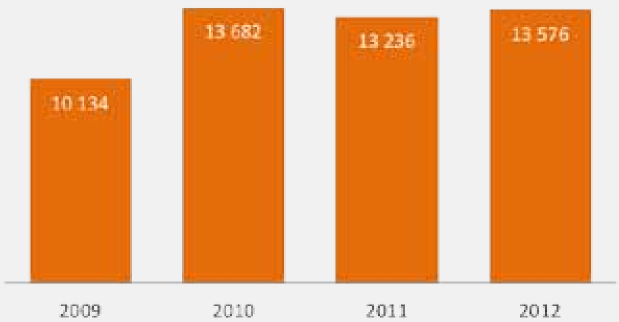
During peak production times we employ approximately 93 people.

People from British Columbia are concerned about the environment, and Grieg Seafood BC Ltd. shares the society's commitment to sustainability. We have established control principles and standards that surpass government requirements through a program of continuous improvement. Through such measures we will reduce our impact on the environment around us.

Our proximity to the U.S., Canadian and Asian markets makes it possible for us to offer fresh fish to our customers with lower transportation costs than our Chilean competitors.

93 employees, 21 farm sites

Harvest volume (GWT)



BC	2012	2011	2010	2009
Harvest in tons GWE	13 576	13 236	13 682	10 134
Sales revenue TNOK	438 400	491 300	554 300	383 000
EBIT Operational TNOK	-32 200	38 000	69 200	36 626
EBIT Operational /kg GWE	-2,37	2,87	5,05	3,61

OCEAN QUALITY AS

Ocean Quality is the Norwegian sales company of Grieg Seafood ASA (60%) and Bremnes Fryseri AS (40%). The company was established in late 2010 and is based in Bergen. At year-end the company had 22 employees, comprising 14 men and 8 women.

The companies primary goal it to become your preferred and trusted seafood supplier.

The Ocean Quality sales force strives to meet high standards, carrying out distribution services to our dedicated customers across the world.

Our product quality and customer service focus on:

- Customer requirements, reliability and continuous year around supply
- Fresh and healthy products with the desired nutritional values
- Full traceability and focus on food safety of products and raw materials
- Strict quality control and sustainability of raw materials
- Animal welfare and environmental care

See oceanquality.no

OCEAN QUALITY	2012	2011	2010
Sales revenue MNOK	2204	1956	344
EBIT MNOK	53,5	31,3	3,1
Operating margin	2,40 %	1,60 %	0,89 %

INVESTOR

Grieg Seafood's ambition is to deliver a high and stable return to its shareholders. The financial target of the company is to maintain an equity share of at least 30%. Grieg Seafood aims to provide investors, the capital market and other interested parties with timely and relevant information in order to enable a correct valuation of the company - and a reduced risk for investors. Company information will be provided to the Stock Exchange and by public presentations each quarter. In addition, the company web page: www.griegseafood.com will be kept up to date with public information about the company, mandatory information and general investor presentations.

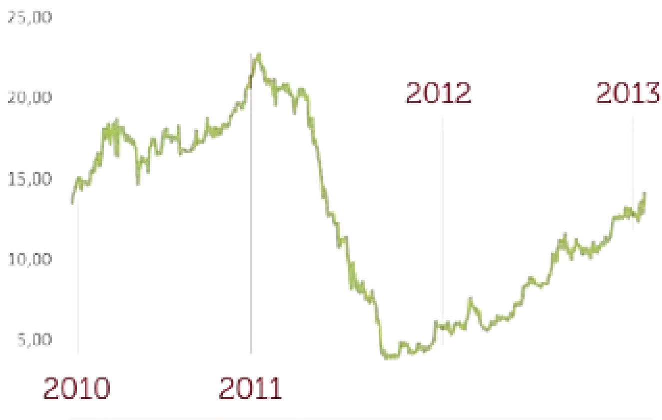
Dividend policy
Grieg Seafood has an objective to pay an annual dividend to its shareholders. The dividend should normally be in the range of 25- 30% of the profit after tax and adjusted for the effect of biomass adjustments.

Shareholders
As at 31.12.2012, the company had 1 255 shareholders of which 1 158 were based in Norway and 97 were international investors. The ten largest shareholders are:

- Grieg Holdings AS
- Kontrari AS
- Ystholmen AS
- Sjøstjerna Invest AS
- Kverva AS
- OM Holding AS
- Capelka AS
- DNB NOR SMB
- Drome AS
- Grieg Seafood ASA

See note 23 in the Financial Statement Group for more information.

Price development 1.1 2010 - 1.1. 2013



Analytics following the GSF stock

- Nordea Markets
- DnB NOR Markets
- Handelsbanken
- Enskilda
- RS Pareto Securities
- First Securities
- Carnegie ASA
- ABG Sunndal Collier
- Fondsfinans
- Sparebank 1 Markets

THE ENVIRONMENT

Aquaculture, if properly managed, can provide the world with healthy, protein-rich food with less impact on the environment than traditional agriculture. With the right measures, we can minimize or even eliminate certain risks to the environment.

Salmon production, along with any other food industry, involves environmental concerns that we work hard to diminish. Caring for nature and protecting our assets are parallelagendas on which Grieg Seafood spends considerable resources.

HIRE A CUSTODIAN

Parasite problems are not exclusive to fish farming. Internal and external parasites are plagues within the cattle, sheep, pork and poultry industries. The standard treatment for parasites is to use pharmaceuticals, but in aquaculture there are natural alternatives that prove more efficient.

One technique to lessen the use of pharmaceuticals in the marine environment and still control an outbreak of salmon lice is to introduce different types of wrasses into the nets. Wrasses are fish that feed on ectoparasites. These "custodians of the waters" have shown to be very efficient, clearing a lice infection before it does much harm. This is an environmentally rewarding alternative to pharmaceuticals. Grieg Seafood do now run a project where we are testing lumpsuckers as sealice predator. We have testfacilities in 3 regions, Rogaland, Finnmark and Shetland and do have highest expectations to the two last regions since we do not have any alternative cleanerfish in those area.

LOCATION, LOCATION, LOCATION

The real-estate mantra is just as relevant in fish farming. Ensuring that fish farms have an adequate current with clean, oxygen-rich seawater to lessen environmental impact. Grieg Seafood farms are in deep areas with good water replacement, where discharge is handled well within the limits of the surrounding ecosystem.

ZERO ESCAPE TOLERANCE

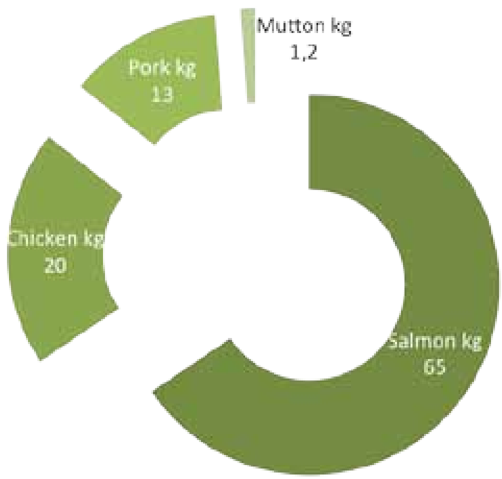
One of the farming industry's greatest environmental challenges is that each year some farmed fish escape from sea farms. Grieg Seafood has agreed with the rest of the industry a zero-tolerance stance on escape. All our employees work hard every day to fulfill the ambition.

SALMON – THE EFFICIENT FISH

Compared to other sources of protein, salmon use the energy and protein in the feed very efficiently. All other farmed animals produce less protein/meat per ton of feed consumed.

Salmon use the energy from feed twice as effectively as poultry and 70% more effectively than pork. An important reason that fish require less feed than land animals is that salmon do not use energy to keep a stable body temperature. In addition, salmon can produce several thousand spawn per fish and can be sustained on a few parent couples; whereas land animals like pigs and cattle reproduce in modest quantities.

Finally, salmon are 65% pure meat (out-boned), giving more meat than other farmed animals.



Compared with the production of other livestock, even those that are fed concentration-based diets, salmon is the most efficient animal in terms of the utilization of energy and protein in the feed.

BOARD OF DIRECTORS REPORT

GROUP ACTIVITIES AND LOCATION

Grieg Seafood ASA ("the Company") is the parent Company of the Grieg Seafood Group ("the Group"). The Group's business activities related to production and trading in the sustainable farming of salmon and trout, 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 95 000 tons gutted weight annually. The Group has 100 licences for salmon production and five 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 in Shetland (UK). The head office is in Bergen, Norway.

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

MAIN FEATURES OF 2012

- 2012 was characterised by historically high supply-side growth and low market prices.
- Strong growth in demand in both new and established markets.
- Operating EBIT before fair value adjustment of biological assets was a loss of NOK 191m, down from NOK 206m in 2011.
- A generally good biological situation in Norway and sea production in BC, Canada.
- Weak biological development in Shetland, with major write-downs and challenges related to sea lice, AGD (amoebic gill disease) and predators.

Write-downs related to an outbreak of furunculosis at the smolt facility in BC, Canada.

The Norwegian sales company, Ocean Quality AS, is well established in the market and achieved an operating margin of 2.4% in 2012 (1.6% in 2011).

The Board is satisfied with operational developments in Norway, which are in line with planned improvements. The biological development of sea production in the two Norwegian regions and Canada has been stable and has provided improved feed factors. But at the same time, the Board finds the operational development in Shetland unsatisfactory and steps have been taken to improve the biological production and the risk situation there. An improvement in operations, productivity and biological production will be in focus, and as part of this process competence and resources from Norway will also be involved in order to implement initiatives aimed at improving operations.

Following the outbreak of furunculosis at the smolt facility in BC a number of steps have been taken and others are in the process of being implemented in order to minimise the risk of similar occurrences in the future.

ACCOUNTS

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

RESULTS

The Group had a turnover of NOK 2 050m in 2012, an increase of 0.15% compared with the previous year. The year was characterised by high supply-side growth and low prices from the second half of 2011. The strong rate of supply-side growth gradually began to decline as the second half of 2012 progressed, with positive growth in demand at the end of the year which continued into 2013. The operating result before fair value adjustment of biological assets was a loss of NOK 191m, against a loss of NOK 206m in 2011. The result for 2012 includes one-time effects of NOK 92m related to extraordinary biological occurrences in Shetland and BC.

The outbreak of furunculosis in the smolt plant in BC and AGD in Shetland has resulted in a high mortality rate and very special biological challenges.

The operating result was a loss of NOK 93m, against a loss of NOK 190m in 2011, while the operating margin was -5%, against -9% in 2011.

Net financial items showed a loss of NOK 108m, against a loss of NOK 30m in 2011. Interest expenses were substantially higher due to an increase in interest-bearing debt from 2011 and a higher margin to the suspension of loan terms. Establishment costs in connection with short-term funding and guarantee costs related to a second lien loan guaranteed by Grieg Holdings AS resulted in higher financial expenses. In 2011 interest-rate swap agreements were entered into in order to stabilise the group's interest expenses. In 2012 this resulted in a loss on the contracts that were terminated in the course of 2012 due to a positive interest rate trend. Net currency gains in 2012 came to NOK 0.7m against NOK 28m in 2011. I 2011 a foreign currency loan was converted into NOK and the group realised a currency gain which led to a higher net currency gain in 2011.

Net tax income for the year amounted to NOK 55m (72m). The effective rate of tax was 22.4% (27.0%). The lower effective tax rate was mainly due to the fact that Canada and the UK have a lower nominal rate of tax and that some of the subsidiaries have a tax loss carried forward.

After tax, the Group as a whole recorded a loss of NOK 147m in 2012, against a loss of NOK 123m in 2011.

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 recorded a post-tax loss for the year of NOK 53m, against a profit of NOK 34m in 2011. The negative result in 2012 was due to high interest expenses and higher operating expenses. A group contribution of NOK 19m was received and taken to income. The corresponding group contribution in 2011 totalled NOK 37m.

SEGMENT REPORT

Rogaland

In Rogaland the operating profit before fair value adjustment of biological assets was NOK 51m in 2012, corresponding to NOK 2.64 per kilo. Both sea production and the biological situation in this region were good throughout the year. The production of smolt from the new recirculation plant has been in line with expectations. The first placements of smolt from the new plant took place in the autumn of 2011.

Finnmark

In Finnmark the operating result before fair value adjustment of biological assets was a loss of NOK 18m in 2012, corresponding to NOK -0.88 per kilo. The result for Finnmark was negatively affected by weak prices due to the temporary closure of the Russian market to exports from the harvesting plant in Finnmark and the unfavourable timing of harvesting in relation to the development of market prices.

External harvesting of trout also led to a slightly higher cost level than usual. Biological production in Finnmark is still at a good level, which is also reflected in a lower take-out.

Sea production was at a good level throughout Norway in 2012, driven by unusually high seawater temperatures in the first quarter of the year.

BC

In British Columbia, Canada, the operating result before fair value adjustment of biological assets was a loss of NOK 32m in 2012, corresponding to NOK -2.37 per kilo. The result in Canada was greatly affected by an outbreak of furunculosis in the smolt facility in BC which made it necessary to destroy a large part of the smolt stocks. This also entailed a write-down of NOK 43m in 2012. A number of improvements have been implemented at the smolt facility in BC in order to minimise the risk of outbreaks of disease of this kind in the future. The steps taken are expected to result in substantially improved biological production in the period ahead. The smolt facility has been disinfected and a number of technical and organisational initiatives have been implemented, or are in the process of implementation. Cost levels will be adapted to the reduction in production.

On the positive side, the biological development of sea production in Canada has been stable and satisfactory over the last few years.

In terms of price development, the American market has lagged behind other markets since the second half of 2012 to due to the sharp increase in supply from Chile. However, in common with price levels in Europe, American prices have shown an improvement since the start of 2013, although the price difference between Europe and the USA has yet to return to its historical level of NOK 6-8. Sales of pacific salmon, including sales of roe for consumption, have also adversely affected the results in BC, as reflected in both realised sale prices and cost levels.

Shetland

In Shetland the operating result before fair value adjustment of biological assets was a loss of NOK 84m in 2012, corresponding to NOK -4.89 per kilo. One of the main underlying challenges is the high prevalence of lice and the limited effect of treatment. The regulatory framework in Scotland also makes effective combating of salmon lice more demanding than is the case in Norway. A new lice strategy has been established for Grieg Seafood Hjaltland. This includes changes in treatment procedures, internal expertise, contingency plans, defined threshold values and strategies to keep the challenge presented by salmon lice and treatment effectiveness at a manageable level. The salmon lice initiatives are based on corresponding practice in

Norway. The main biological challenges in Shetland relate to salmon lice, AGD and predators.

AGD was identified in Shetland in the third quarter of 2012. The combination of AGD and the challenges presented by salmon lice has made the biological situation in Shetland especially demanding. In cases of advanced levels of AGD, the risk attached to the treatment of AGD/lice is very great. In the fourth quarter of 2012 Grieg Seafood Hjaltland experienced an exceptionally high fish mortality rate as a result of this treatment in one of the company's largest production areas. This also resulted in lower harvested volumes and led to write-downs totalling NOK 49m. There is close and good collaboration between the Scottish companies in relation to initiatives aimed at dealing with AGD. In this connection, coordinated winter/spring treatment of AGD/lice has been established for the period from February to March 2013.

The new young fish plant in Shetland will be completed in the first half of 2013. Enhanced smolt quality and more integrated control of production between the freshwater and seawater phase are key elements in the on-going process to improve production in Shetland. The new plant will be based on experience from Norway.

A total of 70 000 tons gw was harvested in 2012, an increase of 10 000 tons on the previous year. The Group's operating EBIT for 2012, before write-downs of biological assets, was minus NOK 100m, corresponding to NOK -1.42 per kilo.

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.

Ocean Quality AS

Ocean Quality AS is the Norwegian sales company that is owned by Grieg Seafood ASA (60%) and Bremnes Seashore AS (40%). The company was established in 2010 and is based in Bergen. Ocean Quality is a joint venture and its accounts are prepared on the basis of the equity method.

Before supplier bonuses, Ocean Quality recorded an operating profit of NOK 53m in 2012, against NOK 31m in 2011. Turnover in 2012 stood at NOK 2 204m, against NOK 1 956m in 2011. Volatile market prices led to more difficult and variable marketing conditions which were reflected in earnings at year-end. In addition, the temporary closure of the Russian market for exports from the harvesting plant in Finnmark has meant that large volumes have been reallocated to other markets with the imbalance that this causes and a negative impact on price realisation.

At year-end the company had 22 employees, comprising 14 men and 8 women.

BALANCE SHEET

The Group had total assets of NOK 4 070m at 31 December 2012, against NOK 4 179m at year-end 2011. Of this, goodwill accounted for NOK 105m and licences NOK 976m. The increase in tangible fixed assets relates mainly to investments in the young fish plant in Finnmark and in Shetland. The fair value of biological assets was positive due to higher prices at year-end for future deliveries of salmon, unlike the situation at the end of 2011 when the fair value was negative due to lower prices for future deliveries.

Group equity at 31 December 2012 stood at NOK 1 513m, compared with NOK 1 690m at the end of 2011. The equity ratio at year-end 2012 was 37%, a reduction from 41% at the end of 2011. The lower equity ratio was due to a negative overall result and a higher level of debt.

FUNDING

The Group's interest-bearing debt rose from NOK 1 444m to NOK 1 530m in 2012, an increase of NOK 86m. An agreement was entered into in the first quarter of 2012 to increase funding in view of the falling salmon market in 2011, which continued into 2012, and because of the increased amount of capital tied up in biological assets in the sea, and related investments. The funding consisted of a second lien bank loan of NOK 300, which replaces a previous bridge loan of NOK 200m. The loan was granted instalment-free, with annual renewal, and was guaranteed by Grieg Holdings AS. The loan continued to be instalment-free in 2012 for a total of NOK 72m on existing loans for one year. In the fourth quarter of 2012 an unsecured bond loan of NOK 400m was issued. Of this, NOK 300m was used to refinance the second lien bank loan which had been taken up in the first quarter of 2012. As a consequence of this, the guarantee given by Grieg Holdings was released.

Key parts of the Group's loan terms have been suspended. The NIBD/EBITDA requirement has been suspended until and including the fourth quarter of 2013, and the Group's equity ratio can also be reduced to 33% in any one quarter, provided that the ratio in the following quarter is re-established above the minimum requirement of 35%. A new loan covenant was established based on the accumulated EBITDA, with the first measurement in the second quarter of Q2 2012. At year-end 2012 the Group was in compliance with this covenant.

Through Ocean Quality a factoring agreement has been entered into which will increases Group liquidity by

NOK 50-80m, depending on the season.

At year-end, NOK 500m had been utilised on the Group's short-term multi-currency credit facility, which is the maximum amount. The Group also has a leasing framework of NOK 250m, of which NOK 200m has been utilised.

CASH FLOW

The net cash flow from operations fell by NOK 13m to NOK 203m, from NOK 215m in 2011. The net cash flow from investment activities stood at minus NOK 189m in 2012, against minus NOK 386m in 2011.

Investments related to fixed assets totalled NOK 188m, compared with NOK 319m in 2011. Of the amount invested in 2012, NOK 95m related to smolt production which is the company's most important single initiative aimed at reducing future production costs. The net cash flow from financing activities was NOK 75m, against NOK 179m in 2011. Net interest and other financial payments totalled NOK 94m, against NOK 45m in 2011, excluding dividends of NOK 151m. At year-end 2012 the disposable cash balance was NOK 240m.

GRIEG SEAFOOD ASA

The parent company's net cash flow from operations was NOK 11m, against NOK 53m in 2011. The cash flow from investment activities was minus NOK 58m, against minus NOK 245m in 2011. The net cash flow from financing activities was NOK 145m against NOK 178m in 2011.

At year-end 2012 the disposable cash balance was NOK 191m.

GOING CONCERN ASSUMPTION

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.

Based on the above account of the Group's results and position, and in accordance with the Norwegian Accounting Act, the Board confirms that the annual financial statements have been prepared on a going concern basis, and that the requirements for so doing are met.

Before year-end, the Company issued an unsecured bond loan for NOK 400m. The need for new funding has been calculated on the basis of 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 - Grieg Seafood ASA
In 2008 the Board of Directors of Grieg Seafood ASA resolved that the annual dividend should correspond to 25-30% of the Group's adjusted profit after tax. Each year, the Board considers whether to propose a dividend, taking account of earnings, cash flows, financial position, market conditions and strategy. In I individual years the dividend may therefore diverge from the long-term goal. The Board does not recommend the payment of a dividend for 2012.

The parent company, Grieg Seafood ASA, recorded a loss for the year of NOK 53m which the Board proposes to cover as follows:

- Transfer from other equity: NOK 53m
- At 31 December 2012 the Company's distributable equity totalled NOK 754m.

RISK AND RISK MANAGEMENT

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.

The management has set parameters for managing and eliminating most of the risks that could prevent the company from achieving its goals. For further information, we refer to the document of principle relating to corporate governances as practised by Grieg Seafood ASA.

FINANCIAL RISK

The Group operates within an industry characterised by great volatility which entails greater financial risk. Unstable financial markets were also a feature of 2012.

Financial and contractual hedging as is a matter of constant consideration, in combination with operational measures. The company draws up rolling liquidity forecasts extending over three years. These forecasts incorporate conservative estimates of salmon prices, and this is used as a basis when calculating the liquidity requirement. It is this forecast that forms the basis of the increased financial parameters mentioned above. This gives a good indication of the Group's liquidity risk. With the new bond loan now in place, the level of this risk is considered to be satisfactory.

The following sections provide further information about the individual risk areas.

CURRENCY RISK

In converting the accounts of foreign subsidiaries, the Group's greatest exposure relates to CAD and GBP. Our main strategy is to reduce the currency risk by funding the business in the local currency. All long-term loans from the parent company to subsidiaries are in the local currency and loans of this kind are regarded as a net investment, since the loans are not repayable to the parent company. The subsidiaries will always require long-term funding. The currency effect of the net investment is incorporated in the consolidated statement of comprehensive income (OCI).

In the case of BC, income is denominated in USD. In order to reduce the translation risk between USD and CAD forward currency contracts are entered into in order to hedge against volatility. At year all contracts had terminated and no new contracts were established in view of the currency situations at that time, with only a very low level of volatility in the relevant currencies. This is a matter that receives constant consideration.

The remaining net exposure is monitored continuously.

INTEREST RATE RISK

The Group is exposed to interest rate risk through its loan activities and to fluctuating interest rate levels in connection with funding of its activities in all regions.

Most of the Group's existing loan's are based on floating rates, but separate fixed rate contracts have been entered into in order to reduce the interest rate risk. It is group policy to have a certain percentage of the Group's interest-bearing debt hedged through interest rate swap agreements. A given proportion shall be at a floating rate, while consideration will be given to the use of hedging contracts for the remainder.

LIQUIDITY RISK

At the end of 2012 an unsecured bond loan was issued for NOK 400m. The entire amount of the loan will be redeemed in 2015. Because of a high level of investment and low salmon prices the Company has high leverage. The management monitors the Group's liquidity reserve which comprises a loan facility and cash, as well as cash equivalents based on expected cash flows. This is carried out at Group level in collaboration with the operating companies. The management and Board seek to achieve a high equity ratio in order to be well equipped to meet financial and operational challenges. Considering the dynamic nature of the industry, the Group aims to maintain flexibility of funding.

OPERATING RISK

Operating risks in Norway were well managed throughout 2012. In Shetland, the biological development has been demanding with major challenges related to salmon lice and AGD characterising 2012. Steps have therefore been taken to improve the biological results by increasing the level of expertise through greater involvement from Norway where the Group has satisfactory procedures to deal with challenges of this kind. Sea production in BC was at a good level in 2012, showing that work on long-term operating procedures produces results. A number of improvements have been made to the smolt facility in BC following the outbreak of furunculosis which is expected to result in substantially improved biological production in the period ahead.

For further information about financial risks (currency, interest rates, credit and liquidity) please refer to note 3 to the consolidated accounts.

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 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, but in most cases the density is even less than this.

The Group has drawn up local health plans which stipulate how health-promoting initiatives in the production process are to be implemented. 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 and production management plans. 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 weekly monitoring the level of lice on the farmed salmon and carrying out delousing when necessary. Wrasse are also used to delouse the fish. Fish farming companies which use natural resources such as clean water and fish feed based on wild fish have a responsibility which goes beyond their own activities. As a Group, we therefore require our suppliers to ensure that the feed is based on sustainable stocks of raw materials for use in the feed.

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.

The Group is now establishing common periods when all production areas in Shetland will lie fallow. This is being done in order to safeguard the biological security of the area which is a prerequisite for sound profitability and the satisfactory operation of fish farming installations, while at the same time reducing any potentially negative effects on the ecosystem in the area.

EMPLOYEES

Of the Group's 700 employees at year-end 2012, 387 were in Norway, 220 in Shetland and 93 in Canada. The Board wishes to thank the employees for their untiring efforts in 2012.

The Group has a preponderance of male managers and employees. In total, there are 559 men and 141 women. 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 34 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 2012 stood at 4.2% (3,5%), while the figure for long-term sick leave was 2.2% (1,5%). During the same period, 46 injuries of a minor nature were recorded by the Group. All administration of human resources is managed locally in accordance with local regulations and instructions, and in conformity with internal guidelines for the Group. The working environment within the Group is satisfactory and steps are being taken to reduce the level of sick leave and injuries.

The Company had 13 employees at the head office in Bergen, of whom five men and one female employee were in senior positions. Short-term sick leave within the Company stood at 1.6%, while the long-term figure was 0.3%. No injuries or accidents were recorded by the Company in 2012. The Company does not pollute the external environment.

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 to 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.

STATEMENT FROM THE BOARD OF DIRECTORS AND CEO

We hereby confirm that the financial statements for the period from 1 January to 31 December 2012 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.

POST-BALANCE SHEET DEVELOPMENT

The market situation for salmon has shown further improvement since year-end. With a decline in supply accompanied by continued strong demand there has been a significant global increase in the price of salmon. Prices in the American market have also strengthened in the second part of this year's first quarter. A cold winter in Norway has resulted in weaker production compared with the corresponding period last year, further reinforcing the likelihood of low or negative supply-side growth as the year progresses.

OUTLOOK

The Group expects the current production plans to result in a harvest volume of 69 000 tons in 2013.

This is down on last year due to the outbreak of furunculosis in BC which has resulted in a lower level of placements. The harvested volume in BC will again be at a low level in 2014, but is expected to be back at 15-17000 tons from 2015.

After almost two years of very low prices driven by historically high supply-side growth, 2013 has started with a change in market equilibrium. The underlying determinants of demand for salmon have been good in most markets for the last couple of years. This, plus the change in supply-side growth, has brought about the improvement in market equilibriums that we are now experiencing. So far in 2013 salmon prices have therefore increased significantly compared with the corresponding period last year.

In 2013 the global supply of salmon is expected to reflect a declining growth rate, with a reduction in offers from Europe. A further increase is expected in the harvested volume in Chile, especially in the first half of the year. In the second half of 2012 prices in the American market were under slightly more greater pressure than was the case in Europe due to strong supply-side growth in Chile, but prices in the American market have also developed in a positive direction since year-end thanks to the global decline in the supply-side growth rate. The price difference between the USA and Europe has yet to be re-established at its historical level, although there has been a gradual improvement compared with the third quarter of 2012.

Feed prices increased in the second half of 2012 and this has continued into 2013 due the development of raw material prices, and this will be reflected in salmon production costs. Feed prices are sensitive to the price of raw materials, both marine and vegetable, and which vary in line with seasonal catch and production conditions.

Grieg Seafood continues to have large unutilised volume potential under its existing licences. The focus in the period ahead will therefore be to exploit further the potential in Norway, in relation to both production and costs. Grieg Seafood is well placed to benefit from the growth that has been announced under new, green licences in Norway. The proportion of the Group's volume that comes from Norway is increasing, and will rise from 56% in 2012 to 65% in 2013.

Action has been taken to improve biological production in Shetland, and improved operations, productivity and biological production will be in focus at Grieg Seafood Hjaltland.

Following the outbreak of furunculosis at the young fish plant in BC, initiatives have been implemented, with others in the process of implementation, in order to minimise the risk of such events recurring in the future.

The improvement in market equilibrium and higher price expectations are expected to provide scope for substantially improved earnings in 2013, compared with the previous year.

Bergen, 22 March 2013
The Board of Directors of Grieg Seafood ASA

Per Grieg jr.
Chairman

Asbjørn Reinkind
Vice chairman

Ingelise Arntsen
Board member

Wenche Kjølås
Board member

Terje Ramm
Board member

Morten Vike
CEO

CORPORATE GOVERNANCE 2012

1. INTRODUCTION

1.1 Presentation of Corporate Governance

The Group's Corporate Governance is based on the Norwegian Code of Practice for Corporate Governance as recommended by the Norwegian Corporate Governance Board on 23 October 2012. The Grieg Seafood Group has updated the existing rules and defined values on this basis.

2. OPERATIONS

2.1 Grieg Seafood ASA

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 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 is established and registered in Norway and is required to comply with Norwegian law, including laws and regulations pertaining to companies and securities.

2.2 Grieg Seafood ASA's vision and overall objectives

The Group aims to comply with all relevant laws and regulations and with the Norwegian Code of Practice for Corporate Governance. This also to applies to all companies which are controlled by the Group. In as far as it goes, 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 where the water is as deep as possible and with 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 the quality and profitability of production. The work shall be performed 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.

2.3 Management of the Company

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.

Divergences from this Code of Practice: None.

3. GROUP EQUITY AND DIVIDEND POLICY

3.1 Equity

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

3.2 Dividend
The Group's objective is to give the shareholders a competitive return on invested capital through 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.

3.3 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 2013 and replaces the authorisation approved by the Annual General Meeting (AGM) on 19 June 2012.

The Board has general authorisation to acquire the Company's own shares in accordance with the provisions of chapter 9 of the Norwegian Public Limited Companies Act for an aggregate nominal amount not exceeding NOK 44 664 800. The Company shall pay not less than NOK 4 per share and not more than NOK 40 per share when acquiring its own shares.

This authorisation remains in effect until the next AGM, but not later than 30 June 2013.

The Board will observe the Code of Practice in respect of new proposals to authorise the Board to implement capital increases and acquire the Company's own shares.

Divergences from the Code of Practice: None.

4. EQUAL TREATMENT OF SHAREHOLDERS. TRANSACTIONS WITH RELATED PARTIES

4.1 Share class
The Company has only one class of shares, and all shares carry the same rights. At 31 December 2012 the Company had 111 662 000 outstanding shares.

4.2 Own shares
If the Company trades in its own shares, the Code of Practice shall be observed.

At 31 December 2012 the Company owned 1 250 000 of its own shares.

4.3 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, transactions of this kind shall be approved by the General Meeting, in so far as this is required under Section 3-8 of the Norwegian Public 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.

Divergences from the Code of Practice: None.

4.4 Capital increases
In the event of a waiver of the shareholders' preferential subscription right, the Code of Practice shall be observed.

5. NEGOTIABILITY OF THE SHARES

The Company's shares shall be freely negotiable.

Divergences from the Code of Practice: None.

6. GENERAL MEETING

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

The Company's AGM 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 Meeting 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 Meeting in a manner which could be deemed to be differential treatment of shareholders or which could be in conflict with current laws or regulations.

Divergences from the Code of Practice: None.

7. NOMINATION COMMITTEE

On 13 February 2009 the 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 2009 and comprises Hanne Refsholt (chair), Helge Nielsen and Frode Teigen.

The Company does not diverge from the Code of Practice.

8. COMPOSITION

8.1 Number of Board members

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

8.2 Election period

Board members are elected for a period of two years.

8.3 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.

9. BOARD OF DIRECTORS

9.1 Duties and 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.

Divergences from the Code of Practice: None.

9.2 Instructions

The Board has drawn up instructions for its members and the Management which contain a more detailed 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 4 April 2011.

9.3 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.

9.4 Audit Committee

The Board has set up a sub-committee (audit committee) comprising a minimum of two and a maximum of three members elected from among the Board's 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.

9.5 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.

Divergences from the Code of Practice: None.

10. INTERNAL CONTROL AND RISK MANAGEMENT

By internal control is meant what is done by the Group to organise its business activities and procedures in order to safeguard its own values and those of its customers, and to realise adopted goals through appropriate operations. The achievement of these goals also requires systematic strategy work and planning, identification of risk, choice of risk profile, and the 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 other employees. Internal control is designed to provide reasonable assurance that the Company's goals will be achieved in the following areas:

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

The Company has established framework procedures to manage and eliminate most of the risk that could prevent a goal from being achieved. This includes a description of the Company's risk management policy as well as all financial control processes. There is on-going risk assessment of the main transaction processes. Descriptions of the transaction processes are currently in preparation for each region, with the aim of clarifying key controls and ensuring that these controls are in place. This means assessing all processes to determine the probability of divergences arising, and how great the economic consequences would be of any such divergence. The establishment of controls in each region is aimed at reducing the likelihood of divergences arising with major economic consequences.

As part of the internal control system, an authorisation matrix has been drawn up which is linked to the Group's organisational structure.

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. The audit committee updates the Board after each meeting.

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 overall 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.

The Board has established procedures for reporting within the Group:

- At the start of each year the Board adopts a budget for the year. Divergences from the budget are reported on a monthly basis.

- Forecasts are drawn up for the next three years and they are updated every month.

- Every month, each region submits a report containing given Key Performance Indicators (KPI). The main KPIs are: EBIT/kg, feed factor, production and fish health. Analyses are made and measured against budget figures and KPIs. The information form of the regions is summarised in a report submitted to the Board.

Divergences from the Code of Practice: None.

11. BOARD REMUNERATION

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.

Divergences from the Code of Practice: None.

12. REMUNERATION TO SENIOR EMPLOYEES

12.1 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 head of accounting, four regional managers (the respective managers of fish farming activities in Rogaland, Finnmark, Shetland and British Columbia), 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, note 8.

On 20 April 2007, 6 May 2009 and 27 March 2012 the AGM approved a share and cash 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. Remuneration to 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 has no divergences from the Code of Practice.

12.2 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. A severance pay agreement has also been established for the CFO providing for 12 months' severance pay after dismissal.

Divergences from the Code of Practice: None.

13. INFORMATION AND COMMUNICATION

13.1 Financial information

The Company shall at all times provide its shareholders, the 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 its 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.

13.2 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.

Divergences from the Code of Practice: None.

14. COMPANY TAKEOVER

14.1 Change of control and 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.

Divergences from the Code of Practice: None.

15. AUDITOR

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 is performing a satisfactory control function.

Both 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 financial statements. 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 in the annual report showing the division of the fee between audit and other services.

Divergences from the Code of Practice: None.

Bergen, 22. March 2013 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 GROUP ACCOUNTS

Consolidated Income Statement

Amounts in NOK 1 000	Note	2012	2011
Sales revenue	7	2 050 065	2 046 991
Other income	7	28 217	16 568
Other gains and losses	7	-53	201
Share of profit from associated companies and joint ventures	13	12 744	13 704
Changes in inventories	19	-1 202 314	-889 677
Salaries and personnel expenses	9, 10	-276 103	-238 382
Other operating expenses	9	-642 374	-603 585
Operating profit/loss before depreciation and fair value adjustments of biological assets		**-29 818**	**345 820**
Depreciation	17	-157 075	-136 984
Amortisation of licenses and other intangible assets	16	-4 270	-3 222
Operating profit/loss before fair value adjustment of biological assets		**-191 162**	**205 613**
Fair value adjustment of biological assets	19	98 063	-395 180
Operating loss		**-93 099**	**-189 567**
Share of profit/loss from associated companies	13	-913	25 165
Financial income	12	3 173	31 141
Financial expenses	12	-111 520	-61 963
Net financial loss		-108 346	-30 822
Loss before taxes		**-202 358**	**-195 224**
Income tax income	22	55 170	72 064
Loss for the year		**-147 188**	**-123 159**
Profit to shareholders of parent company		-147 188	-123 159
Earnings per share (NOK)	14	-1,33	-1,11
Diluted earnings per share (NOK)	14	-1,33	-1,11

Comprehensive Income Statement

Amounts in NOK 1 000	Note	2012	2011
Loss for the year		**-147 188**	**-123 159**
Items with no tax effect on realisation:			
Currency translation differences, subsidiaries		-15 803	-1 059
Change in value of available-for-sale assets	15	5	678
Total		-15 798	-381
Items with tax effect on realisation:			
Currency effect of net investments	3	-19 352	0
Tax effect		5 418	0
Net effect		-13 934	0
Comprehensive income after taxes		**-29 732**	**-381**
Total comprehensive income for the year		**-176 920**	**-123 540**
Profit to shareholders of parent company		-176 920	-123 540

Consolidated Balance Sheet

Amounts in NOK 1 000

Assets	Note	2012	2011
Goodwill	16	105 108	105 373
Licences	16	976 740	987 596
Other intangible assets	16	3 800	4 618
Property, plant and equipment	17	1 141 317	1 126 699
Investments in associated companies and joint ventures	13	49 229	37 387
Loans to associated companies	29	1 020	996
Available-for-sale financial assets	15	1 337	1 307
Other non-current receivables		53	311
Total non-current assets		**2 278 604**	**2 264 287**
Inventories	19	65 692	67 355
Biological assets	19	1 310 142	1 404 934
Accounts receivable	3, 20	124 657	223 682
Other current receivables	21	51 299	64 581
Financial instruments	3	0	1 178
Cash and cash equivalents	18	239 885	152 622
Total current assets		**1 791 675**	**1 914 352**
Total assets		**4 070 279**	**4 178 639**

Liabilities and equity	Note	2012	2011
Share capital	23	446 648	446 648
Treasury shares	23	-5 000	-5 000
Other equity		-51 942	-16 791
Retained earnings		1 123 524	1 265 293
Total equity		**1 513 230**	**1 690 150**
Deferred tax liabilities	22	426 781	486 702
Pension obligations	25	1 110	1 557
Cash-settled share options	10	9 267	194
Long-term borrowings	24	975 844	613 673
Financial leasing liabilities	24, 27	156 150	179 670
Other non-current liabilities		**1 569 152**	**1 281 796**
Short-term loan facilities	24	500 000	700 000
Current portion of long-term borrowings	24	109 542	79 983
Current portion of financial leasing liabilities	24, 27	44 730	44 662
Accounts payable	3	246 119	303 196
Accrued salary expense and public tax payable		19 720	22 514
Financial instruments	3	13 805	7 887
Other current liabilities	26	53 982	48 452
Total current liabilities		**987 898**	**1 206 694**
Total liabilities		**2 557 050**	**2 488 490**
Total liabilities and equity		**4 070 279**	**4 178 639**

Bergen, 22. March 2013 Grieg Seafood ASA

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

Consolidated Cash Flow Statement

Amounts in NOK 1 000	Note	2012	2011
Operating result		-93 099	-189 567
Taxes paid for period	**22**	3 324	-6 442
Fair value adjustment of biological assets	**19**	-98 063	395 180
Ordinary depreciation	**16, 17**	161 345	140 208
(Gain/)Loss on sale of property, plant and equipment		53	-201
Option costs /gain on shares posted against equity		-	742
Share of results from companies which apply the equity method of accounting	**13**	-12 744	-13 704
Change in inventories and biological assets		194 518	-190 543
Change in customer accounts receivable and other receivables		101 611	65 491
Change in accounts payable		-57 077	39 824
Change in other accruals items		-5 761	-20 337
Change in net pension obligations		8 626	-5 245
Net cash flow from operations		**202 733**	**215 406**
Receipts from sale of property, plant and equipment		147	2 686
Dividends received	**12**	296	20
Payments on purchase of property, plant and equipment	**17**	-188 330	-319 347
Payments on purchase of intangible assets	**16**	-1 209	-7 393
Payments on purchase of shares in subsidiaries	**6**	-	-64 249
Payments on purchase of shares in associated companies and joint ventures	**13**	-	-635
Change in other non-current receivables		-251	3 371
Net cash flow from investment activities		**-189 347**	**-385 547**
Change in short-term interest-bearing debt		-200 000	441 419
Change in long-term interest-bearing debt		390 870	-
Leasing receipts		26 692	-
Repayment of long-term interest-bearing debt and leasing		-48 543	-48 497
Other financial items		7 251	2 281
Interest expense		-100 854	-47 572
Dividends paid	**14**	-	-150 744
Purchase of treasury shares	**24**	-	-18 036
Net cash flow from financing activities		**75 416**	**178 851**
Net change in cash and cash equivalents		**88 802**	**8 710**
Cash and cash equivalents at 01.01		**152 622**	**143 729**
Currency conversion of cash and cash equivalents		**-1 538**	**184**
Cash and cash equivalents at 31.12		**239 885**	**152 622**

Consolidated statement of change in equity

Amounts in NOK 1 000	Note	Share capital	Own shares	Other equity	Retained earnings and other reserves	Total equity
Equity at 31.12.2010		**446 648**		**-16 410**	**1 552 167**	**1 982 405**
Result for 2011					**-123 158**	**-123 158**
Translation effects foreign subsidiaries				-1 059		**-1 059**
Other gains and losses				678		**678**
Total comprehensive income		**0**		**-381**	**0**	**-381**
Total comprehensive income for 2011		**0**		**-381**	**-123 158**	**-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**	**-163 716**	**-168 716**
Total change in equity in 2011		**0**	**-5 000**	**-381**	**-286 874**	**-292 255**
Equity at 31.12.2011		**446 648**	**-5 000**	**-16 791**	**1 265 293**	**1 690 150**
Result for 2012					**-147 188**	**-147 188**
Translation effects foreign subsidiaries				-15 803		**-15 803**
Net investment				-13 934		**-13 934**
Change in value in shares held for sale	**15**			5		**5**
Total comprehensive income		**0**		**-29 732**	**0**	**-29 732**
Total comprehensive income for 2012		**0**		**-29 732**	**-147 188**	**-176 920**
Effect of share-based compensation	**10**					0
Total equity from shareholders in 2012		**0**	**0**	**0**	**0**	**0**
Total change in equity in 2011		**0**	**0**	**-29 732**	**-147 188**	**-176 920**
Equity at 31.12.2012		**446 648**	**-5 000**	**-46 523**	**1 118 105**	**1 513 230**

Specification of Equity Items

Amounts in NOK 1 000

Specification of retained earnings	**Effect of share-based compensation**	**Purchase of own shares**	**Profit for the year - dividend paid**	**Total**
Book value at 31.12.2010	**1 030**	**0**	**1 551 137**	**1 552 167**
Change in 2011	64	-13 036	-273 902	**-286 938**
Change in 2012	0	**0**	-147 188	**-147 188**
Book value at 31.12.2012	**1 094**	**-13 036**	**1 130 047**	**1 118 105**

Specification of other equity	**Shares held for sale**	**Net investment**	**Currency conversion**	**Total**
Book value at 31.12.2010	**0**	**0**	**-16 410**	**-16 410**
Change in 2011	678	0	-1 059	**-381**
Change in 2012	5	-13 934	-15 803	**-29 732**
Book value at 31.12.2012	**683**	**-13 934**	**-33 272**	**-46 523**

Note 1 General information

Grieg Seafood ASA is an integrated Norwegian seafood company operating in the area of salmon farming and processing. The company has operations in Norway, Canada and the UK. Grieg Seafood ASA is a public limited company registered in Norway. Its head office is located at C. Sundtsgt. 17/19, Bergen, Norway. Gieg 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 2013.

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 thousand, unless stated otherwise.

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 described in note 4.

a) New and amended standards implemented in 2012

No new or amended IFRS or IFRIC interpretations which took effect for the 2012 accounts have any significant effect for the group's consolidated financial statements

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.

There are no IFRS or IFRIC interpretations which have not taken effect which are expected to significantly affect the financial statements.

CONSOLIDATION

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating guidelines, 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 spread among a large number of owners who are realistically unable to organise the way their votes are cast. In determining whether factual control exists, decisive importance is also attached to the fact that the group can elect the board of directors that it wishes.

Subsidiaries are consolidated from the point when the group can exercise control and consolidation ends when control 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. Identifiable assets, debt and contingent 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 fair value at the date of control and the value change is recognised through profit or 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 without loss of control

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

c) Divestment of subsidiaries

When the group no longer has control, any remaining owner interest is measured at fair value and the difference is recorded through profit or loss. Thereafter, for accounting purposes, fair value is the acquisition cost either as an investment in an associated company, joint venture or a financial asset. Amounts which were previously recorded in a comprehensive income statement related to this company are dealt with as if the group had disposed of underlying assets and liabilities. This may mean that amounts which were previously recorded in a comprehensive income statement are reclassified as part of the income statement.

(d) Associated companies

Associated companies are entities over which the group has significant influence, but not control. Significant influence is deemed to exist where the group has between 20% and 50% of the voting rights. Investments in associates are initially recognised at cost, and thereafter the equity method of accounting is used. In subsequent periods, the group's share of the results is recognised through profit or loss. The amount recorded in the 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 where the group retains significant influence, only a proportionate part of amounts previously recognised in the comprehensive income statement is reclassified through profit or loss.

The group's share of profits or losses of associated companies is recognised in the income statement and is added to the value of the investment in the balance sheet. The group's share of the comprehensive result s for the associated company is entered in the group's comprehensive income statement and is also added to the amount of the investment in the balance sheet. The group's share of a loss is not posted in the income statement if this means that the value of the investment in the balance sheet is negative (including the entity's unhedged receivables), unless the group has undertaken obligations or made payments on behalf of the associate. The accounts of associated companies are re-stated where necessary to ensure consistency with the accounting policies adopted by the group.

At the end of each accounting period the group determines if there is a need to write down the investment in the associated company. In such case, the amount of the write-down is calculated as the difference between the recoverable amount of the investment and and its book value, and the difference is recorded on a separate line along with "Share of results of associated companies".

If a gain or a loss arises on transactions between the group and its associated companies, only the proportionate amount related to shareholders outside the group is recorded. Unrealised losses are eliminated uless there is a need to write down the the asset that was the subject of the transaction. Accounting policies of associates are changed where necessary to ensure consistency with the accounting policies adopted by the group. Gains and losses on dilution of assets of associated companies are posted in the income statement.

(e) Joint ventures
A joint venture is an economic entity regulated by agreement between one or more participants, and whereby the participants have joint control of the activity in accordance with the definition in IAS 31. For accounting purposes, the group's participation in joint ventures is based on the equity method, as described for associated companies above.

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 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 with a limited useful life are amortised over the useful lifetime.

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

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. The 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 assets in accordance with IAS 41. Based on the group's conclusions, Grieg Seafood ASA 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.

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.

ACCOUNTS RECEIVABLE

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less a 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 include 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 when the funds are received, 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 1 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 AS 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 aready 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 Schole's option pricing model is used for valuation.

Transactions under joint control

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

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 the 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 and services. 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 ech 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 CAD, USD, GBP and EUR. 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.

	2012			2011		
	Currency	**NOK**	**Proportion %**	**Currency**	**NOK**	**Proportion %**
Operating income						
NOK		1 073 233	52 %	-	1 047 451	51 %
CAD	1 568	9 130	0 %	-	-	0 %
USD	75 134	429 248	21 %	86 985	492 683	24 %
GBP	59 874	538 454	26 %	58 277	523 627	25 %
Total (incl. sales revenues, other income, gains/losses)		**2 050 065**	**100 %**		**2 063 761**	**100 %**
Accounts receivable						
NOK		49 133	39 %		131 055	59 %
CAD	4 208	23 551	19 %	306	1 795	1 %
USD	346	1 937	2 %	5 537	32 489	15 %
GBP	5 562	50 036	40 %	6 285	58 343	26 %
Total		**124 657**	**100 %**		**223 682**	**100 %**
Cash and cash equivalents						
NOK		203 742	85 %		114 716	75 %
CAD	2 899	16 225	7 %	3 772	22 975	15 %
USD	1 748	9 783	4 %	77	713	0 %
EUR	88	786	0 %	716	4 201	3 %
GBP	1 038	9 342	4 %	1 130	10 016	7 %
Other currency	1	7	0 %	-	-	0 %
Total		**239 885**	**100 %**		**152 621**	**100 %**
Accounts payable						
NOK		150 134	61 %		135 065	45 %
CAD	4 852	27 156	11 %	7 927	46 512	15 %
USD	73	409	0 %	9	54	0 %
GBP	7 606	68 421	28 %	13 120	121 566	40 %
Total		**246 119**	**100 %**		**303 197**	**100 %**
Borrowings, subordinated loans, finance leasing and overdrafts						
NOK		1 687 763	94 %		1 507 938	93 %
CAD	3 369	18 855	1 %	34 000	32 729	2 %
GBP	8 854	79 648	4 %	45 012	74 620	5 %
Total		**1 786 266**	**100 %**		**1 615 287**	**100 %**

Sales from the Norwegian business are invoiced in NOK. Sales from the companies in Canada are invoiced in USD, while the functional currency is CAD. Sales from the UK companies are invoiced in GBP which is also the functional currency.

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. The parent company's shor and long-term loans to the subsidiaries are denominated in these companies' functional currency. This means that the currency effect of loans from the parent company is eliminated against equity.

The currency effect of the net investments of subsidiaries is as follows:

Currency effect for 2012	-19 352
Tax effect	5418
Net effect charged against equity	-13 934

If the NOK strengthens by 10% against the USD, CAD, GBP and EUR on the balance sheet date, we can expect the following effect on profit after tax and equity in TNOK:

10% change against	**USD**	**EUR**	**GBP**	**CAD**
Cash - net effect on profits after tax	-10	-10	3 200	-1 200
Equity effect when consolidating foreign subsidiaries	-	-	-18 020	-18 900

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

Notes to the Consolidated Accounts

Note 3 Financial risk management

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 shows the following impact on the group's operating result before tax (NOK million):

31 December 2012

Price reduction per kg	NOK 1	NOK 2	NOK 5
Reduced operating result after tax	25 903	53 403	257 071
Price increase per kg	NOK 1	NOK 2	NOK 5
Increased operating result after tax	25 898	51 432	123 391

31 December 2011

Price reduction per kg	NOK 1	NOK 2	NOK 5
Reduced operating result after tax	44 281	87 528	227 909
Price increase per kg	NOK 1	NOK 2	NOK 5
Increased operating result after tax	45 714	80 809	190 529

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 sphere of activity.

Historically, the industry has always been vulnerable to price fluctuations in the market. Because of this, the accounting performance may fluctuate considerably from year to year. It is therefore also a goal to ensure that the business maintains an appropriate level of free liquidity.

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 31.12.2012 the group had net interest-bearing debt of NOK 1.5 bn, including finance leases. Funding is mainly in the form of bank loans,
as well as a bond loan which was issued in 2012. The level of debt and alternative forms of funding are subject to constant evaluation.

Notes to the Consolidated Accounts

Note 3 Financial risk management

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 25.4m relate to customers with a satisfactory payment history. Accounts receivable in the UK amounting to NOK 50m 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 31.12.2012 was as follows:

Amounts in NOK 1 000

	Note	2012	2011
Accounts receivable	20	124 657	223 682
Other receivables	21	51 299	58 139
Liquid assets	18	239 885	152 621
Total		**415 841**	**434 442**

Other receivables relates mainly to prepayments and VAT receivable.

Amounts in NOK 1 000

Age distribution of accounts receivable	2012	2011
Not due	90 380	201 948
Due	34 277	21 734
- 0-3 months	28 499	17 788
- more than 3 months	234	669
- more than 1 year	5 544	3 278
Total	**124 657**	**223 682**

Change in provision for bad debts	2012	2011
At 01.01	1 224	1 967
Change in provision	758	-743
At 31.12	1 982	1 224

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

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 company's bank funding agreemet is based on a mortgage loan of NOK 656m and a multi-currency credit facility of NOK 500m. This credit facility is classified as short-term debt since it has been agreed that the credit will be rolled over once a year subject to the covenants under the loan agreement being met/waived.

The management monitors the group's liquidity reserve comprising credit facilities (see note 24) 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 24 shows the payment profile for the group's non-current liabilities.

31 December 2012	< 3 mth	3-12 mth	1-2 years	2-5 years	Over 5 years	Total
Long-term loan instalments	25 604	85 551	102 414	847 014	22 840	1 083 423
Loan interest	16 547	47 115	58 795	54 439	0	176 896
Short-term credit facility	0	500 000	0	0	0	500 000
Short-term loan interest	0	24 700	0	0	0	24 700
Finance leases	8 382	36 348	46 932	59 609	49 609	200 880
Finance lease interest	2 043	5 898	9 883	9 146	2 454	29 424
Accounts payable	236 039	8 814	1 222	44		246 119
Total commitments	**288 615**	**708 426**	**219 246**	**970 252**	**74 903**	**2 261 442**

31 December 2011	< 3 mth	3 -12 mth	1-2 years	2-5 years	Over 5 years	Total
Long-term loan instalments	18 511	55 534	117 723	176 586	296 000	664 354
Loan interest	7 019	21 058	31 531	47 297	26 570	133 475
Short-term loan	0	700 000	0	0	0	700 000
Short-term loan interest	0	24 958	0	0	0	24 958
Finance leases	8 021	37 766	81 940	48 339	48 266	224 332
Finance lease interest	2 034	6 475	9 580	16 068	6 596	40 752
Accounts payable	303 196					303 196
Total commitments	**338 781**	**845 791**	**240 774**	**288 290**	**377 432**	**2 091 067**

Notes to the Consolidated Accounts

Note 3 Financial risk management

Forward Currency Contracts

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.

The following table shows the group's forward currency contracts as at 31.12.2011 and 31.12.2012:

Forward currency contracts as at 31.12.2012:

Sold	Amount	Bought	Amount	Hedging rate	Market rate	Maturity interval *)	Market value in NOK at 31.12.2012
CAD	3 456	EUR	2 580	0,8036	0,7971	25.03.13 - 25.06.14	-156
Total							**-156**

Forward currency contracts as at 31.12.2011:

Sold	Amount	Bought	Amount	Hedging rate	Market rate	Maturity interval *)	Market value in NOK at 31.12.2011
CAD	5 729	EUR	4 300	1,3324	1,3408	26.03.12 - 25.06.13	205
NOK	6 338	DKK	6 000	1,0564	1,0436	17.01.12	-77
USD	11 600	CAD	12 064	1,0400	1,0243	17.01.12 - 15.10.12	1 050
Total							**1 178**

*) The maturity is stated in intervals where there are several contracts.

(ii) 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 mainly traded at spot prices. In 2011 there was an increase in the global supply of salmon which resulted in a decline in spot prices. Throughout 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. The financial contracts were concluded by 31.12.2011 and the group had no financial contracts in 2012.

In addition to financial contracts, the group uses fixed price agreements whereby deliveries of a fixed amount are agreed at a fixed price directly with the customer.

(iii) 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 major interest-bearing positions.

Sensitivity calculations show the following expected values: If the interest rate had been 1% higher (lower) throughout the year, other things being equal, the pre-tax profit would have been reduced (increased) by NOK 14m in 2012 and NOK 11.6m in 2011 due to the floating rate of interest on loans and deposits. The sensitivity analysis is based on net interest-bearing debt at year-end 2012 and 2011. See note 24.

Amounts in NOK 1 000	**Increase/reduction in interest rate points**	**2012**	**2011**
Effect on pre-tax profits	-/+ 1%	-/+ 14 043	-/+ 11 600

Interest rate swap agreements

The purpose of the group's risk management activities is to establish an overview of the financial risk that exists at any given time and to take protective steps which give more time to adapt to the changes that take place.

With this purpose in mind, the group has chosen to employ interest rate swap agreements to establish greater stability for the group's loan interest expenses. The group has decided that at any given time a certain percentage of its interest-bearing debt shall be hedged under interest rate swap agreements. A specific proportion will always be at a floating rate, while the remainder will subject to possible hedging. This is under constant consideration, based on the market situation. The interest rate swap agreements have a horizon of 2-4 years and whether these periods are to be rolled over is a matter of constant evaluation.

The following table shows the group's interest rate swap agreements in NOK thousand, and the market value as at 31.12.2011 and 31.12.2012:

2012

Agreement	Principal	Fixed rate	Basis of floating rate	Duration	Market value excl. accrued interest	Market value incl. accrued interest
Fixed rate paid - floating rate received	400 000	3,26	Nibor 3 mth	21.07.14	1 067	-9 617
Fixed rate paid - floating rate received	200 000	2,34	Nibor 3 mth	16.08.16	175	-1 941
Fixed rate paid - floating rate received	200 000	2,4	Nibor 3 mth	17.10.16		-2 090
Total					**1 242**	**-13 649**

2011

Agreement	Principal	Fixed rate	Basis of floating rate	Duration	Market value excl. accrued interest	Market value incl. accrued interest
Fixed rate paid - floating rate received	200 000	2,91	Nibor 3 mth	20.07.12	-92	155
Fixed rate paid - floating rate received	400 000	3,26	Nibor 3 mth	21.07.14	7 882	7 732
Total					**7 789**	**7 887**

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 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

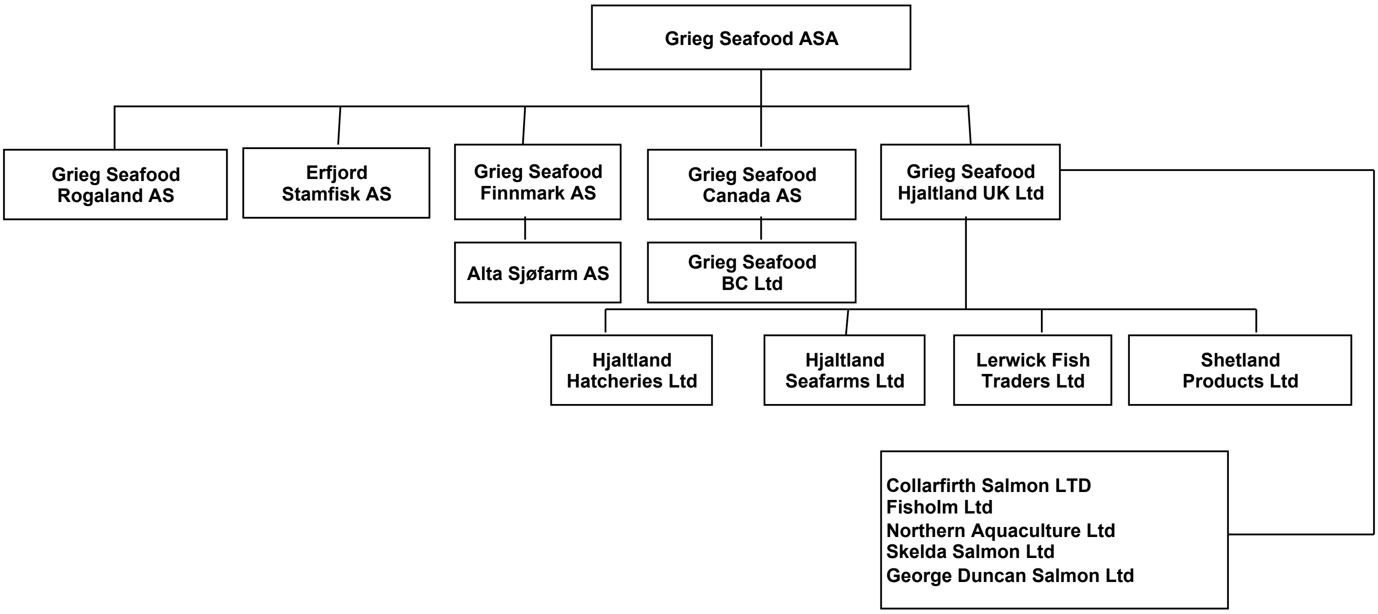
In order to determine the fair value in the case of acquisitions, alternative methods are used to determine the fair value of assets where there is no active market. Values which exceed the amount that can be attributed to identifiable assets and liabilities are recorded in the balance sheet as goodwill. 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 BC 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

The group made no acquisitions in 2012.

In January 2011 Grieg Seafood ASA entered into an agreement to purchase the remaining 51.3% shareholding in Erfjord Stamfisk AS. Erfjord Stamfisk AS has three broodstock licences and one 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.

In April 2011 Grieg Seafood Hjaltland UK Ltd entered into an agreement with the shareholders of Skelda Salmon Garms Ltd and G. Duncan 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 acquisitions in 2011 are included in the consolidated accounts and account for sales of MNOK 105 and a profit for the year of MNOK 6.

2011-2012	Acquisition date	Owner share	Excess value goodwill	Excess values tangible assets	Excess values plant, property & equipment	Excess values biological assets	Deferred tax on excess values	Book value of equity at acquisition date	Acquisition cost
Acquisition cost at 01.01.2011			**122 987**	**494 260**	**77 231**	**6 699**	**-168 818**	**522 207**	**1 048 584**
Erfjord Stamfisk AS (acquisition shown on 100% ownership basis)	24.01.2011	100 %	11 802	39 000			-10 920	47 837	87 719
Skelda Salmon Ltd /G.Duncan Ltd.	26.04.2011	100 %	3 947	16 038	1 628		-3 539	1 175	19 249
Acquisition cost at 31.12.2012			**138 736**	**549 298**	**78 859**	**6 699**	**-183 277**	**571 219**	**1 155 552**
Accumulated depreciation at 01.01.2011			-89 603	-6 730	-47 876	-6 699	24 090		
Depreciation of excess value in 2011				-1 314	-6 216		-5 960		
Depreciation of excess value in 2012				-1 314	-6 426		7 198		
Accumulated depreciation at 31.12.12			**-89 603**	**-9 358**	**-60 518**	**-6 699**	**25 328**		
Book value at 31.12.2012			**49 133**	**539 940**	**18 342**	**0**	**-157 949**		
Ordinary depreciation for the year									
Depreciation period				0 - 6 år	3-15 år				
Depreciation plan				lineær	lineær				

Gain on previous owner share in Erfjord Stamfisk (applies to acquisition in 2011):	
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 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. All sales in Norway are channelled through the sales company Ocean Quality AS which has been established in collaboration 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 distributors in these areas.

Geographical market	UK	Norway	BC	Total 2012		Total 2011	
EU	185 288	661 527	0	846 815	0	849 000	0
UK	291 319	11 261	0	302 580	0	248 612	0
USA	54 353	5 281	437 740	497 374	0	509 313	0
Canada	3 309	1 725	639	5 673	0	88 113	0
Russia	0	139 764	0	139 764	0	90 495	0
Asia	161	252 806	0	252 967	0	156 242	0
Other markets	4 024	869	0	4 893	0	105 217	0
Total	**538 454**	**1 073 233**	**438 378**	**2 050 065**	**0**	**2 046 992**	**1**

Segment information 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	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Sales revenues	558 317	549 868	519 822	498 739	438 378	491 276	538 454	511 917	-4 906	-4 809	2 050 065	2 046 991
Other income	934	788	4 890	3 905	8 518	1 502	14 532	11 282	-658	-909	28 216	16 568
Gain and loss on sale of tangible assets	-12	570	0	0	-41	-95	0	428	0	-702	-53	201
Share of results from joint ventures/associated companies	196	186	1 914	4 163	0	0	0	0	10 634	9 355	12 744	13 704
Operating costs before depreciation	-471 390	-413 475	-504 224	-417 437	-449 634	-428 866	-584 680	-473 136	-19 333	1 270	-2 029 261	-1 731 644
Operating result before depreciation	**88 045**	**137 937**	**22 402**	**89 370**	**-2 779**	**63 817**	**-31 694**	**50 491**	**-14 263**	**4 205**	**61 711**	**345 820**
Depreciation	-37 282	-33 508	-40 054	-33 910	-29 424	-25 829	-51 968	-44 598	-2 617	-2 361	-161 345	-140 206
Operating result before fair value adjustment	**50 763**	**104 429**	**-17 652**	**55 460**	**-32 203**	**37 988**	**-83 662**	**5 893**	**-16 880**	**1 844**	**-99 633**	**205 614**
Assets (excl. associated companies)	798 602	799 619	1 070 120	1 159 629	481 922	717 337	792 818	1 177 315	877 588	280 910	4 021 050	4 134 810
Associated companies	6 284	6 089	8 570	6 651	0	0	0	0	34 375	24 647	49 229	37 387
Total assets - Group	**804 886**	**805 708**	**1 078 690**	**1 166 280**	**481 922**	**717 337**	**792 818**	**1 177 315**	**911 963**	**305 557**	**4 070 279**	**4 172 197**
Liabilities	400 038	412 097	759 224	743 913	288 222	409 376	718 561	816 291	396 423	100 371	2 562 468	2 482 048
Total liabilities - Group	**400 038**	**412 097**	**759 224**	**743 913**	**288 222**	**409 376**	**718 561**	**816 291**	**396 423**	**100 371**	**2 562 468**	**2 482 048**

Adjusted operating result for segments	2012	2011
Adjusted operating result before fair value adjustment	**-99 633**	**205 614**
Write-down for special occurrences*)	-91 530	0
Fair value adjustment of biological assets	98 063	-395 180
Operating loss	**-93 099**	**-189 566**
Share of results from associated companies (se n	-913	**25 165**
Net financial items (see note 12 for specification)	-108 346	-5 656
Loss before tax	**-202 358**	**-195 222**
Estimated taxes	55 170	72 064
Loss for the year	**-147 188**	**-123 158**

*) In 2012 there were extraordinary biological occurrences in the form of AGD in the UK and an outbreak of furunculosis in BC, Canada.

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 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 and 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 following termination of employment or changes in the position / terms and conditions of employment and 12 months' salary during illness.

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 20.04.2007 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 options scheme corresponded to 2 2 285 884 shares at year-end 2012 after allocating 1 400 000 options in 2012. The last date for exercising these options is may 2015. The CEO has a total of 700 000 synthetic options. The last date for the CEO's exercise of these options is may 2015 in respect of 200 000 options. The exercise price is increased by 0,5% each month. An option must be exercised not later than 24 months after the first exercise date.

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

For further information about options, see note 10.

Notes to the Consolidated Accounts

Note 9 Payroll, fees, number of employees etc.

	Note	2012	2011
Salaries		230 713	209 128
Social security costs		16 345	15 630
Share options granted to directors and employees	10	9 809	-6 581
Pension costs	25	5 240	3 616
Other personnel costs		13 996	16 589
Total		**276 103**	**238 382**
Average number of employees		640	589

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

As at 31.12.2012 loans to group employees totalled NOK 250 000. 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 2012 were as follows:

Remuneration to senior officers in 2012 in NOK	Salary	Bonus	Options exercised during year	Other remuneration	Total
Morten Vike (CEO)	2 519	0	0	272	2 791
Atle Harald Sandtorv (CFO)	1 327	0	0	128	1 455
Total remuneration including social security costs					**4 246**
Board members					
Per Grieg jr. 1)				388	388
Terje Ramm 2)				234	234
Wenche Kjølås 2)				234	234
Ingelise Arntsen				200	200
Asbjørn Reinkind 1)				262	262
Total remuneration including social security costs					**1 318**

1) Remuneration for work done in the remuneration committee is included in the payment to Per Grieg jr. and Asbjørn Reinkind in the sum of NOK 11 500.
2) Remuneration for work done in the audit committee is included in the payment to Terje Ramm and Wenche Kjølås in the sum of NOK 22 800. These amounts include social security costs.

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	Other remuneration	Total
Morten Vike (CEO)	2 821	848	0	274	3 943
Atle Harald Sandtorv (CFO)	1 538	476	839	114	2 967
Total remuneration including social security costs					**6 910**
Board members					
Per Grieg jr. 1)					374
Anne-Grete Ellingsen 1)					100
Terje Ramm 2)					217
Wenche Kjølås 2)					217
Harald Volden					72
Ingelise Arntsen					116
Asbjørn Reinkind 1)					153
Total remuneration including social security costs					**1 249**

1) Remuneration for work done in the remuneration committee is included in the payments to Per Grieg jr., Anne-Grete Ellingsen and Asbjørn Reinkind in the amounts of NOK 11 419, NOK 4 758 and NOK 6 661, respectively.
2) Remuneration for work done in the audit committee is included in the payments to Terje Ramm and Wenche Kjølås in the sum of NOK 29 478. These amounts include social security costs.

Specification of auditors' fees	2012	2011
Audit fees		
Group auditor	1 507	1 344
Other auditors	756	713
Other assurance services		
Group auditor	181	127
Other auditors	0	0
Tax advice		
Group auditor	113	113
Other auditors	144	144
Other services		
Group auditor	367	367
Other auditors	126	126
Total - group auditor	**2 168**	**1 951**
Total - other auditors	**1 026**	**983**
Total	**3 194**	**2 934**

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 31.12.2012 there were no 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 06.05.2013. A total of 1 400 000 options were allocated in March 2012 with the last exercise date on 24.05.2015. Employees taken on after the first allocation of options have been allocated options on taking up employment. The last options mature on 04.05.2015. 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 2011 and 2012.

Overview 2012	Option category	Outstanding options 31.12.2011	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2012	Of which cash-settled
Morten Vike (CEO)	Equity based option	300 000	-	-	-	300 000	-	
Morten Vike (CEO)	Cash settlement	300 000	400 000	-	-	-	700 000	700 000
Atle Harald Sandtorv (CFO)	Cash settlement	80 000	200 000	-	-	-	280 000	280 000
Others	Cash settlement	505 884	800 000	-	-	-	1 305 884	1 305 884
Total		**1 185 884**	**1 400 000**	**-**	**-**	**300 000**	**2 285 884**	**2 285 884**

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)	Equity based option	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**

Allocation: year - month	Expiry date: Year - month	Strike price NOK per share as at 31.12.2012	Options 2012	Options 2011
2008 - 06	2012 - 02	**-**		300 000
2009 -05	2013 - 03	**9,51**	255 884	255 884
2009 -05	2013 - 05	**9,51**	430 000	430 000
2009 - 12	2013 - 12	**12,75**	100 000	100 000
2010 - 09	2013 - 09	**18,73**	50 000	50 000
2010 - 09	2014 - 09	**18,73**	50 000	50 000
2012 - 03	2014 - 05	**7,10**	700 000	
2012 - 03	2015 - 05	**7,10**	700 000	
Total			**2 285 884**	**1 185 884**

	2012	2011
Equity based options available for exercise	-	300 000
Weighted average outstanding contract period	-	0,16
Cash-based options available for settlement	1 585 884	885 884
Weighted average outstanding contract period	8,34	1,16

Notes to the Consolidated Accounts

Note 10 Equity and cash-based remuneration

2012	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 2012 *)	Acc. cost charged against equity at 31.12.2012	Book liability cash settlement at 31.12.2012
Morten Vike (CEO)	Share options	13,20	3,74	1 123	1 122	-	1 122	
Former employees where option has expired	Share options	23,00	5,86	2 346	2 346	-	2 346	
Others	Share options	23,00	5,72	4 005	3 419	-	3 419	
Morten Vike (CEO)	Cash settlement	7,83	3,81	1 143	63	1 247		1 310
Morten Vike (CEO)	Cash settlement	6,83	1,78	712		1 717		1 717
Atle Harald Sandtorv (CFO)	Cash settlement	10,76	3,40	680	10	199		209
Atle Harald Sandtorv (CFO)	Cash settlement	6,83	1,78	356		866		866
Other options allocated in 2007	Cash settlement	7,83	3,81	3 047	111	1 640		1 750
Other options allocated in 2010	Cash settlement	16,50	6,66	666	10	91		102
Other options allocated in 2012	Cash settlement	6,83	1,78	1 424		3 313		3 313
Total				**14 078**	**7 081**	**9 073**	**6 887**	**9 267**

*) Amounts exclusive of social security costs.

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)	Share options	13,20	3,74	1 123	1 058	64	1 122	
Former employees where option has expired	Share options	23,00	5,86	2 346	2 346	-	2 346	
Others	Share 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
Other options 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**

*) Amounts exclusive of social security costs.

	2012	2011	Classification in accounts
Accrued cost is divided as follows:	**9 073**	**-5 588**	
Accrued cost cash settlement	9 073	-5 652	Other provisions for commitments
Accrued cost - options	-	64	Other equity contributions
Total cost excl. social security costs	**9 073**	**-5 588**	
Social security costs	735	-993	Public dues payable
Total cost incl. social security costs	**9 809**	**-6 581**	Payroll & social security costs

Notes to the Consolidated Accounts

Note 11a Financial instruments by category

	Level	Lendings and receivables	Assets at fair value through profit or loss	Derivatives used for hedging purposes	Available-for-sale financial assets	Total
As at 31 December 2012						
Available-for-sale financial assets	2/3				1 337	1 337
Loan to associated companies		1 020				1 020
Other long-term receivables		53				53
Accounts receivable		124 657				124 657
Other receivables		51 299				51 299
Derivatives	2			0		0
Cash and cash equivalents		239 885				239 885
Total		**416 914**	**0**	**0**	**1 337**	**418 251**

	Level	Liabilities at fair value through profit or loss	Derivatives used for hedging purposes	Other financial liabilities	Total
Borrowings				1 585 386	1 585 386
Finance lease liabilities				200 880	200 880
Pension obligations and cash-settled options		10 377			10 377
Derivatives	2		13 805		13 805
Accounts payable		246 119			246 119
Total		**256 496**	**13 805**	**1 786 266**	**2 056 567**

	Level	Lendings and receivables	Assets at fair value through profit or loss	Derivatives used for hedging purposes	Available-for-sale financial assets	Total
As at 31 December 2011						
Available-for-sale financial assets	2/3				1 307	1 307
Loan to associated companies		996				996
Other long-term receivables		311				311
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**	**0**	**1 178**	**1 307**	**438 234**

	Level	Liabilities at fair value through profit or loss	Derivatives used for hedging purposes	Other financial liabilities	Total
Borrowings				1 393 656	1 393 656
Finance lease liabilities				224 332	224 332
Pension obligations and cash-settled options		1 751			1 751
Derivatives	2		7 887		7 887
Accounts payable		303 196			303 196
Total		**304 947**	**7 887**	**1 617 988**	**1 930 822**

See note 15 for further information on available-for-sale financial assets.

Fair value assessment

The following table shows the fair value of financial instrumenter according to the valuation method used. The different levels are defined as follows:

Level 1 - Fair value based on the quoted price in an active market for an identical asset or liability.
Level 2 - Fair value based on other observable factors than the quoted price (used in level 1) and entered directly (price) or indirectly (derived from prices) for the asset /liability.
Level 3 - Fair value based on factors not taken from observable markets (non-observable assumptions).

Notes to the Consolidated Accounts

Note 11b Creditworthiness of financial assets

The credit risk attached to financial instruments that have not matured or which have not been written down is shown by the internal classification of historical information on breaches of credit conditions. Further information about credit risk is provided in note 3.

	2012	2011
Accounts receivable		
Counterparties with no external credit assessment		
Group 1	2 846	133
Group 2	119 525	217 670
Group 3	2 286	5 880
Total accounts receivable that have not been written down	**124 657**	**223 683**
Bank deposits *)		
AAA	0	-
AA	239 889	152 622
A	0	-
Total bank deposits	**239 889**	**152 622**
*) The remainder of the balance sheet item cash and cash equivalents comprises cash		
Loans to related parties		
Group 1	0	-
Group 2	1 020	103
Group 3	0	-
Total loans to related parties	**1 020**	**103**

Group 1 - new customers/related parties (less than 6 months)
Group 2 - existing customers/related parties (more than 6 months) with no history of having breached credit conditions.
Group 3 - existing customers/related parties (more than 6 months) with a history of one or more breaches of credit conditions. All amounts due have been paid in full after the breaches.

Notes to the Consolidated Accounts

Note 12 Financial income and financial expenses

Amounts in NOK 1 000	2012	2011
Interest income from associated companies	40	135
Other interest income	2 169	2 920
Dividends	296	20
Net currency gains	666	28 066
Other financial income	2	0
Total financial income	**3 173**	**31 141**
Interest expense on bank borrowings and leasing	76 047	45 270
Other interest expenses	24 869	8 752
Net change in fair value of derivatives	5 919	7 146
Other financial expenses	4 685	795
Total financial expenses	**111 520**	**61 963**

Notes to the Consolidated Accounts

Note 13 Investments in Associated Companies - Joint Ventures

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 method 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. 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 companies are engaged in an activity in the same part of the value chain as the group.

2012	Equity interest	Book value at 01.01.2012	Share of result for the year	Transfers from the company (dividends)	Changes during the period	Book value at 31.12.2012
Associated companies classified as operations						
Bokn Sjøservice AS	50,0 %	6 088	196	-	-	6 284
Finnmark Brønnbåtrederi AS	49,9 %	6 131	1 793	-	-	7 924
SalmoBreed AS	27,5 %	7 727	-1 724	-	8	6 011
Isopro AS	20,0 %	520	121	-	5	646
Total associated companies classified as operations		**20 466**	**386**	**-**	**13**	**20 865**
Joint ventures classified as operations						
Ocean Quality AS	60,0 %	13 335	12 358	-	-	25 693
Total joint ventures classified as operations		**13 335**	**12 358**	**-**	**-**	**25 693**
Associated companies classified on separate line in operating results						
Cleanfish AS	25,0 %			-		-
Salten Stamfisk AS	34,0 %	3 584	-913	-		2 671
Total associated companies classified on separate line in operating results		**3 584**	**-913**	**-**	**-**	**2 671**
Total investments in associated companies and joint ventures		**37 387**	**11 831**	**-**	**13**	**49 229**

2011	Equity interest	Book value at 01.01.2011	Share of result for the year	Transfers from the company (dividends)	Changes during period	Book value at 31.12.2011
Associated companies classified as operations						
Bokn Sjøservice AS	50,0 %	5 902	186	-	-	6 088
Finnmark Brønnbåtrederi AS	49,9 %	1 968	4 163	-	-	6 131
SalmoBreed AS	27,5 %	-	2 497		5 230	7 727
Isopro AS	20,0 %	-	-	-	520	520
Total associated companies classified as operations		**7 870**	**6 846**	**-**	**5 750**	**20 466**
Joint ventures classified as operations						
Ocean Quality AS	60,0 %	6 476	6 859	-	-	13 335
Total joint ventures classified as operations		**6 476**	**6 859**	**-**	**-**	**13 335**
Associated companies classified on separate line in operating results						
Cleanfish AS	25,0 %	1 300	-1 415	-	115	-
Salten Stamfisk AS	34,0 %	1 913	1 671	-		3 584
Total associated companies classified on separate line in operating results		**21 023**	**256**	**-**	**-17 695**	**3 584**
Total investments in associated companies and joint ventures		**35 369**	**13 961**	**-**	**-11 945**	**37 385**

Summarised preliminary financial information on individual associated companies, on 100% basis. All companies have the same financial year as the group. In 2011 the group acquired three new companies, SalmoBreed AS, Salten Stamfisk AS through the acquisition of Erfjord Stamfisk AS andIsopro AS was also founded.

2012	Total assets at 31.12.2012	Total liabilities at 31.12.2012	Total equity at 31.12.2012	Operating income	Pre-tax profit/loss
Bokn Sjøservice AS	14 434	1 523	12 911	6 748	545
Finnmark Brønnbåtrederi AS	47 706	30 436	17 270	16 712	4 989
SalmoBreed AS	26 454	8 790	17 664	21 420	2 213
Isopro AS	24 209	21 004	3 205	29 576	1 262
Salten Stamfisk AS	47 786	40 566	7 220	30 782	3 526
Ocean Quality AS	150 418	107 197	43 221	2 205 751	28 606

2011	Total assets at 31.12.2011	Total liabilities at 31.12.2011	Total equity at 31.12.2011	Operating income	Pre-tax profit/loss
Bokn Sjøservice AS	14 268	1 901	12 367	7 333	456
Finnmark Brønnbåtrederi AS	51 723	39 442	12 281	18 825	7 058
SalmoBreed AS	24 216	9 095	15 120	25 545	619
Isopro AS	20 508	18 330	2 178	358	-422
Cleanfish AS	2 391	1 054	1 337	1 010	-7 157
Salten Stamfisk AS	38 143	27 398	10 745	47 454	5 120
Ocean Quality AS	236 075	213 415	22 660	1 956 298	15 634

Notes to the Consolidated Accounts

Note 14 Earnings per share and dividend per share

Basis for calculation of earnings per share	2012	2011
Earnings for the year (majority share)	-147 188	-123 159
Number of shares at year-end	111 662 000	111 662 000
Effect of treasury shares (see note 23)	-1 250 000	-660 959
Average number of outstanding shares during the year	110 412 000	111 001 041
Adjustment for effect of share options	0	0
Diluted average number of outstanding shares during the year	110 412 000	111 001 041
Earnings per share	**-1,33**	**-1,11**
Diluted earnings per share*)	**-1,33**	**-1,11**
Proposed dividend per share	**0,00**	**0,00**

*) The share options had no dilutive effect as the exercise price of the options exceeds the average market price of ordinary shares in 2011. In 2012 there are only cash-settled options.

Notes to the Consolidated Accounts

Note 15 Available-for-sale financial assets

2012 Company	Business location	No. of shares	Ownership/ voting shares	Acquisition cost	Fair value
DnB NOR Global Allokering	Oslo	3 039	<1%	317	363
Finnøy Næringspark AS	Finnøy	100	7,1 %	103	800
Blue Planet AS	Stavanger	1	2,6 %	50	50
Aqua Gen AS	Kyrksæterøra	3 200	<1%	23	23
Ryfylkelaks AS	Finnøy	250 000	25,0 %	25	25
Other				76	76
Total property, plant & equipment				**594**	**1 337**

2011 Company	Business location	No. of shares	Ownership/ voting shares	Acquisition cost	Fair value
DnB NOR Global Allokering	Oslo	3 039	<1%	317	358
Finnøy Næringspark AS	Finnøy	100	7,1 %	103	800
Blue Planet AS	Stavanger	1	2,6 %	50	50
Aqua Gen AS	Kyrksæterøra	3 200	<1%	23	23
Other				76	76
Total property, plant & equipment				**569**	**1 307**

Reconciliation of book value	2 012	2 011
As at 01.01	1 307	557
Change in value of shares to fair value	5	682
Purchase of shares	25	74
Sale of shares	0	-6
As at 31.12	**1 337**	**1 307**
of which classified as property, plant & equipment	-1 337	-1 307

Investment in other shares by currency	2 012	2 011
NOK	1 337	1 307
Total	**1 337**	**1 307**

The fair value of the shares in Finnøy Næringspark AS is assessed at NOK 800 000 based on an external offer to purchase a shareholding in the company. Other shareholdings are insignificant and are stated as fair value.

The purchase of shares in 2011 relates to the purchase of a shareholding in Blue Planet AS for the sum of NOK 50 000, as well as other shares for NOK 24 000.

Ryfylkelaks AS was established in 2012 and Grieg Seafood Rogaland AS has a 25% shareholding in the company which was acquired for NOK 25 000.

Notes to the Consolidated Accounts

Note 16 Intangible assets

2011	Goodwill	Fish farming licences indefinite lives	Fish farming licences 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 assets purchased	0	3 908	0	3 485	7 393
Intangible assets sold	0	0	0	0	0
Amortisation	0	0	-1 195	-2 027	-3 222
Change in classification based on new information	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	194 976	971 578	44 447	14 143	1 225 144
Accumulated amortisation		-8 403	-20 026	-9 525	-37 954
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**

2012	Goodwill	Fish farming licences indefinite lives	Fish farming licences definite lives	Other intangible assets	Total
Book value at 01.01.	105 373	963 175	24 421	4 618	1 097 587
Currency translation differences at 01.01.	-265	-7 675	-1 121	183	-8 845
Intangible assets purchased	0	0	112	1 130	1 209
Intangible assets sold	0	0	0	0	0
Amortisation	0	0	-2 139	-2 131	-4 270
Amortisation of assets sold	0	0	0	0	0
Currency translation differences on amortisation	0	0	-34	0	-34
Book value at 31.12.	**105 108**	**955 501**	**21 239**	**3 800**	**1 085 648**
Acquisition cost	194 711	963 904	43 438	15 442	1 217 495
Accumulated amortisation		-8 403	-22 199	-11 642	-42 244
Accumulated impairment	-89 603	0	0	0	-89 603
Book value at 31.12.	**105 108**	**955 501**	**21 239**	**3 800**	**1 085 648**

Notes to the Consolidated Accounts

Note 16 Intangible assets (continued)

Impairment test for goodwill and licences

Goodwill and licences were not impaired in 2012 or 2011. 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 a basis for calculating the recoverable amount. Impairment occurs when the carrying value is higher than the recoverable amount.

Cash generating unit	Location	Book value of related goodwill	Book value of licences	Total
BC - Canada	Canada	9 931	144 806	154 737
Finnmark	Norway	0	259 700	259 700
Shetland - UK	UK	74 714	437 260	511 974
Rogaland (incl. Erfjord Stamfisk)	Norway	20 463	134 974	155 437
Total value		**105 108**	**976 740**	**1 081 848**

Goodwill relates to the acquisition of the subsidiary companies. Goodwill is allocated to the group's cash-generating units (CGU) identified according to the 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 pre-tax cash flow projections based on financial budgets 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 assumptions used for value-in-use calculations are as follows:

Unit	BC - Canada	Finnmark	Shetland - UK	Rogaland
Budget period	3 years	3 years	3 years	3 years
Increase in revenues in budget period	14 %	32 %	30 %	17 %
Ebitda margin 1)	4%-21%	16%-17%	9%-12%	18%-19%
Ebitda margin in terminal period	16 %	22 %	19 %	22 %
Harvest growth - tons 2)	0 %	13 %	14 %	3 %
Discount rate 3)	9,6 %	9,6 %	9,6 %	9,6 %
Growth rate 4)	2,5 %	2,5 %	2,5 %	2,5 %

1) Budgeted 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, reflecting the new smolt strategy. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments. In the course of 2013 all of the regions will be able to produce their own smolt. The harvest volume in the terminal period assumes normal utilisation of present-day licences in the respective regions. The result in the terminal period is based on the budget for 2015, but corrected to give an EBIT/kg that has been reconciled with the benchmark and GSF's historical results. The discount rates used are pre-tax and reflect specific risks related to relevant operational segments.

Sensitivity analysis

Value-in-use is sensitive to changes in the assumptions made. The most important are discount rate and Ebit per kilo. The sensitivity analysis covers the entire period, including the terminal value. The table below shows the need for a write-down in the event of an 1 percentage point in the discount rate or a reduction of NOK 1 in Ebit per kilo.

Need for write-down (NOK 1 000)

Assumption	Change	BC - Canada	Finnmark	Shetland - UK	Rogaland
Discount rate	-1 percentage point	-	-	31 814	-
Ebit per kilo	NOK - 1	-	-	129 403	-

Notes to the Consolidated Accounts

Note 17 Tangible fixed assets

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**
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	**1 932 126**
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**	**247 216**	**1 126 699**
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**

2012	Buildings/ property	Plant, equipment and other fixtures	Vessels/ barges	Total
Book value at 01.01.	391 611	487 870	247 215	**1 126 697**
Currency translation differences at 01.01.	-4 735	-9 765	-1 706	**-16 346**
Tangible fixed assets acquired*	38 046	133 660	16 483	**188 330**
Tangibe fixed assets sold	-59	0	-498	**-557**
Depreciation	-20 714	-108 405	-27 956	**-157 075**
Currency translation differences depreciation	-42	257	52	**267**
Book value at 31.12.	**404 107**	**503 617**	**233 590**	**1 141 317**
As at 31.12.				
Acquisition cost	543 066	1 156 494	409 197	**2 108 759**
Accumulated depreciation	-138 959	-652 877	-175 606	**-967 442**
Book value at 31.12.	**404 107**	**503 617**	**233 590**	**1 141 317**
Book value of finance leases included above	**1 922**	**117 040**	**114 373**	**233 335**
Depreciation of finance leases included above	**-408**	**33 069**	**15 024**	**47 685**

***) Tangible fixed assets acquired**
There was considerable investment in 2011 and 2012, 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

	2012	2011
Restricted deposits related to employees' tax deduction	6 699	5 464
Restricted bank deposits related to clearing account for financial price contracts*)	6 000	8 149
Other cash and bank deposits	227 186	139 009
Total	**239 885**	**152 622**

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.

Notes to the Consolidated Accounts

Note 19 Biological assets and other inventories

	Tons 2012	Tons 2011	2012	2011
Biological assets at 01.01.	58 533	49 030	1 404 933	1 564 046
Currency translation differences	N/A	N/A	-23 548	8 592
Increase due to purchases of fish	0	0	0	-2 919
Increase due to production	76 718	81 356	1 639 649	1 701 047
Increase due to business acquisition	0	1 523	0	45 247
Decrease due to sales/harvesting/mortality	-84 560	-73 377	-1 807 105	-1 504 576
Fair value adjustment at 01.01	N/A	N/A	-19 985	-407 625
Fair value adjustment in connection with business acquisition	N/A	N/A	N/A	-18 863
Fair value adjustment at 31.12	N/A	N/A	116 199	19 985
Book value of biological assets at 31.12.	**50 691**	**58 532**	**1 310 142**	**1 404 934**
Fair value adjustment of biological assets			98 063	-396 474
Gain & loss arising from price conracts			-	1 294
Fair value adjustment of biological assets incl. fair value of price hedging contracts			**98 063**	**-395 180**

The accounting treatment of live 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 and/or the most relevant information that is available for the period when the fish is expected to be harvested. The price is adjusted proportionately to take account of how far the growth cycle has progressed. The price is adjusted for quality differences (superior, ordinary and process), together 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. The best estimate for fish under 1 kg is considered to be the accumulated cost. 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.

Status of biological assets at 31.12.12	**Number of fish (1 000)**	**Biological assets (tons)**	**Accrued cost of production**	**Fair value adjustment**	**Book value**
Smolt/broodstock/biological assets with round weight < 1 kg	25 089	4 623	220 600	0	220 600
Biological assets with round weight 1 - 4 kg	12 561	26 964	620 264	29 616	650 180
Biological assets with round weight > 4 kg	3 837	19 105	352 780	86 583	439 363
Total	**41 487**	**50 691**	**1 193 643**	**116 199**	**1 310 142**

Status of biological assets at 31.12.11	**Number of fish (1 000)**	**Biological assets (tons)**	**Accrued cost of production**	**Fair value adjustment**	**Book value**
Smolt/broodstock/biological assets with round weight < 1 kg	30 160	4 416	252 676	0	252 676
Biological assets with round weight 1-4 kg	13 410	29 060	660 469	-31 101	629 367
Biological assets 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**

Other inventories

	2012	2011
Raw materials (feed) at cost price	47 601	39 320
Roe	8 108	6 666
Other (frozen fisk, supplementary products)	9 983	21 369
Total inventories	**65 692**	**67 355**

Change in inventories

	2012	2011
Inventories at 01.01	67 354	58 409
Purchases for the year	1 200 652	739 516
Inventories at 31.12	65 692	67 354
Change in inventories	**1 202 314**	**889 677**

Notes to the Consolidated Accounts

Note 20 Accounts receivable

	2012	2011
Accounts receivable at nominal value	126 639	224 906
Provision for bad debts	-1 982	-1 224
Accounts receivable at 31.12.	**124 657**	**223 682**

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 21 Other receivables

Other current receivables	2012	2011
VAT receivable etc.	14 569	32 499
Pre-paid expenses	22 013	12 263
Insurance claims	6 793	3 565
Income invoiced in advance	0	195
Tax receivable*)	5 290	6 442
Other current receivables	2 634	9 617
Other current receivables at 31.12.	**51 299**	**64 581**

*) Tax receivable includes tax receivable from 2011. Tax receivable for 2012 amounts to NOK 2 358

Notes to the Consolidated Accounts

Note 22 Tax

Tax specification	2012	2011
Tax payable Norway	-	-
Tax payable abroad	-2 358	-6 442
Tax payable not provided for last year	-	4 390
Change in deferred tax Norway	16 431	-35 925
Change in deferred tax abroad	-69 243	-34 087
Taxes	**-55 170**	**-72 064**

Tax reconciliation		
Profit before tax	-202 358	-195 224
Taxes calculated at nominal tax rate	-45 305	-52 731
Withholding tax	1 496	-
Change in deferred tax liability	-5 361	-6 402
Tax losses carried forward not recognized	1 163	-510
Other permanent differences	-7 163	-12 421
Taxes	**-55 170**	**-72 064**

Change in book value of deferred tax		
Book value at 01.01.	486 702	531 498
Currency conversion	-3 487	-17
Effect of business combinations	-	28 866
Effect of equity transactions	-5 418	-
Other effects	1 796	-3 634
Change in deferred tax taken to income in period	-52 812	-70 012
Deferred tax liability at 31.12	**426 781**	**486 702**

Weighted average tax rate	**22,39**	**27,01**

The nominal tax rate in Norway is 28%. In Canada it is 25% and in Shetland 24 % in 2012. As some of the companies have a loss, the average tax rate is lower than the nominal tax rate in the respective countries. From 2013 the nominal tax rate in Shetland is 23%.

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
2011								
Opening balance at 01.01.	192 513	41 987	352 607	576	5 077	2 726	1 146	596 633
Taken to income in the period	-3 365	3 962	-88 911	1 783	546	-507	-2 443	-88 936
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
As at 31.12.	**202 778**	**46 380**	**269 887**	**11 844**	**4 993**	**2 219**	**-3 062**	**535 038**
2012								
Taken to income in the period	-5 038	-5 747	19 289	261	-1 416	-455	-1 033	5 861
Currency translation differences	-1 506	-397	-3 129	-	-197	-	-	-5 228
Other effects	-1 691	-248	-	-	-	-	229	-1 709
As at 31.12.	**194 543**	**39 988**	**286 047**	**12 105**	**3 380**	**1 764**	**-3 867**	**533 962**

Deferred tax assets	Loss carried forward	Fixed assets	Pensions	Receivables	Lease obligations	Tax credits	Other liabilities	Total
2011								
Opening balance at 01.01.	-39 825	-4 398	-36	-	-10 411	-8 380	-2 085	-65 135
Taken to income in the period	12 020	3 167	36	-	1 420		2 281	18 924
Currency translation differences	-1 322	-5	-	-	-12	-10	-	-1 349
Other effects	-1 548	-3	-	-	3	-1	1 766	217
Effect of business combinations	-20	-974	-	-	-	-	-	-994
As at 31.12.	**-30 695**	**-2 213**	**-**	**-**	**-9 000**	**-8 391**	**1 963**	**-48 337**
2012								
Taken to income in the period	-61 138	1 118	-	-	3 961	1 891	-4 505	-58 673
Currency translation differences	1 072	64	-	-	322	343	-50	1 751
Other effects	-1 931	238	-	-	-	-	-229	-1 922
As at 31.12.	**-92 691**	**-794**	**-**	**-**	**-4 718**	**-6 156**	**-2 823**	**-107 181**

	2012	2011
Net deferred tax	**426 781**	**486 702**

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	2012	2011
Norway	-67 509	-18 600
UK	-25 184	-2 392
Canada	2	-4 612
	-92 691	-25 604

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 23 Share capital and shareholder information

Share capital:

As at 31 December 2012 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
31.12.2011				**441 648**	**110 412 000**
31.12.2011			**4,00**	**446 648**	**111 662 000**
	Holdings of treasury shares		4,00	-5 000	-1 250 000
31.12.2012				**441 648**	**110 412 000**

The largest shareholders of Grieg Seafood ASA	No. of shares 31.12.12	Shareholding 31.12.12	No. of shares 31.12.11	Shareholding 31.12.11
GRIEG HOLDINGS	55 801 409	49,97 %	55 801 409	49,97 %
KONTRARI AS	15 250 000	13,66 %	15 250 000	13,66 %
YSTHOLMEN AS	3 868 197	3,46 %	3 868 197	3,46 %
SJØSTJERNA INVEST AS	3 150 560	2,82 %	-	0,00 %
KVERVA AS	2 412 793	2,16 %	-	0,00 %
OM HOLDING AS	1 941 636	1,74 %	1 346 622	1,21 %
CAPELKA AS	1 572 000	1,41 %	1 572 000	1,41 %
DNB NOR SMB	1 479 977	1,33 %	2 771 744	2,48 %
DROME AS	1 368 239	1,23 %	-	0,00 %
GRIEG SEAFOOD ASA	1 250 000	1,12 %	1 250 000	1,12 %
HARALD VOLDEN	-	0,00 %	3 100 560	2,78 %
SKANDINAVISKA ENSKILDA BANKEN	853 100	0,76 %	1 874 999	1,68 %
TROND MOHN	500 000	0,45 %	1 500 000	1,34 %
Total - largest shareholders	**89 447 911**	**80,11 %**	**88 335 531**	**79,11 %**
Other shareholders with shareholding less than 1%	22 214 089	19,89 %	23 326 469	20,89 %
Total shares	**111 662 000**	**100,00 %**	**111 662 000**	**100,00 %**

Shares controlled by Board members and group management:

	31.12.2012	31.12.2012	31.12.2011	31.12.2011
Board of Directors:				
Per Grieg jr. *)	60 726 561	54,38 %	60 726 561	54,38 %
Wenche Kjølås (Jawendel AS)	7 000	0,001 %	7 000	0,001 %
Asbjørn Reinkind	100 000	0,09 %	60 000	0,05 %
Group management:				
Morten Vike (CEO)	75 000	0,07 %	75 000	0,07 %
Atle Harald Sandtorv (CFO)	15 000	0,01 %	15 000	0,01 %
***The shares owned by the following companies are controlled by Per Grieg jr. and family.**				
Grieg Holdings AS	55 801 409	49,98 %	55 801 409	49,98 %
Grieg Shipping AS	824 565	0,74 %	824 565	0,74 %
Ystholmen AS	3 868 197	3,46 %	3 868 197	3,46 %
Grieg Ltd AS	217 390	0,19 %	217 390	0,19 %
Per Grieg jr. private	15 000	0,02 %	15 000	0,02 %
Total no. of shares controlled by Per Grieg jr. and family	**60 726 561**	**54,39 %**	**60 726 561**	**54,39 %**

Notes to the Consolidated Accounts

Note 24 Borrowings and finance leases

As at 31 December 2012 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. The company's interest bearing debt at 31 December 2012 comprised a bank loan, a bond loan and finance lease liabilities. The financing facility is based on a mortgage loan of NOK 656m and a multi-currency revolving credit of NOK 500m.

In 2012 the company issued an unsecured bond loan of NOK 400m with full redemption in 2015.

Non- current liabilities	2012	2011
Subordinated loan (not interest-bearing)	22 840	18 287
Borrowings	960 500	593 305
Amortised cost	-9 457	-620
Finance lease liabilities	156 150	179 670
Other non-current liabilities (not interest-bearing)	1 961	2 701
Total non-current liabilities	**1 131 994**	**793 343**

Current liabilities	2012	2011
Revolving credit facility *)	500 000	700 000
Current portion of long-term borrowings	109 542	79 983
Current portion of finance lease liabilities	44 730	44 662
Total current liabilities	**654 272**	**824 645**

*) The company has a current revolving credit faciltiy of NOK 500m. As at 31.12.2012 this was fully utilised. In 2011 the company also received a temporary loan of NOK 200m, while awaiting new financing. This was repaid in 2012.

Net interest-bearing debt	2012	2011
Total non-current and current liabilities	1 786 266	1 617 988
Subordinated loan, non-interest-bearing debt and amortised cost	15 344	20 368
Gross interest-bearing debt	**1 770 922**	**1 597 620**
Cash and cash equivalents	239 885	152 621
Loans to associated companies	1 020	996
Other interest-bearing assets	41	311
Net interest-bearing debt	**1 529 976**	**1 443 692**

Payment profile non-current liabilities	2013	2014	2015	2016	2017	Subsequently	Total
Subordinated loans	0	0	0	0	0	22 840	22 840
Borrowings	111 155	103 419	844 545	1 465	0	0	1 060 583
Finance lease liabilties	44 732	35 748	27 031	26 927	25 135	41 306	200 880
Total	**155 887**	**139 167**	**871 576**	**28 392**	**25 135**	**64 146**	**1 284 303**

Liabilities secured by mortgage/charge on assets:	2012	2011
Liabilities to credit institutions incl. finance leases	**1 373 542**	**1 598 125**

Assets pledged as security	2012	2011
Licences	976 740	987 596
Fixed assets	1 141 317	1 126 699
Accounts receivable	124 657	223 682
Inventories and biological assets	1 375 835	1 472 289
Investments in joint ventures	25 693	13 335
Total assets pledged as security	**3 644 242**	**3 823 601**

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

Notes to the Consolidated Accounts

Note 24 Borrowings and finance leases (continued)

Description of debt	Currency	Fixed or floating interest rate	Effective interest rate	Final maturity (mth/year)	2012 Current portion	2012 Non-current portion	2011 Current portion	2011 Non-current portion
Grieg Seafood ASA								
Syndicate loan non-current	NOK	Floating	Price grid	04/2015	101 805	554 193	72 000	592 685
Syndicate loan - credit facility*)	NOK	Floating	Price grid	04/2013	500 000	0	500 000	0
Syndicate loan - current	NOK	Floating	Price grid	12/2012	0	0	200 000	0
Bond loan	NOK	Floating	Price grid	12/2015	0	390 543	0	0
Other loans	NOK	Floating	Price grid	10/2016	0	6 307	0	0
Grieg Seafood Hjaltland								
SLAP*)	GBP	Floating	0,0 %	12/2018	0	1 961	0	2 701
Export loan	GBP	Fixed	3.2%	04/2013	7 736	0	7 983	0
Finance leases					44 730	156 150	44 662	179 670
Subordinated loan					0	22 840	0	18 287
Total					**654 272**	**1 131 994**	**824 645**	**793 343**

*) Credit facility right that is rolled over once a year, see note 3.

Book value of Group loans by currency:

	31.12.12	NOK	GBP	CAD
Syndicate loan non-current	656 000	656 000	-	-
Syndicate loan - credit facility*)	500 000	500 000	-	-
Bond loan	390 541	390 541		
Other loans	16 004	8 268	7 736	-
Finance leases	200 880	134 914	47 111	18 855
Subordinated loan	22 840	-	22 840	-
Total borrowings and finance leases	**1 786 266**	**1 689 724**	**77 687**	**18 855**

Averate interest rate on syndicate loans and credit facility in 2012	**4,94 %**

Book value and fair value of borrowings:

	Book value 2012	Fair value 2012
Syndicate loan (non-current and credit facility)	1 156 000	1 138 643
Total	**1 156 000**	**1 138 643**

The book value of other loans is virtually the same as the fair value.

Notes to the consolidated accounts

Note 25 Pension commitments

The companies in Norway have a pension scheme for all employees in accordance with the rules for mandatory occupational pensions from 01.07.2009. At 31.12.2012 the pension scheme covered 327 persons, and 288 persons in 2011. The pension scheme is funded and managed through an insurance company. The group's foreign companies have no pension schemes.

Grieg Seafood Rogaland AS and Grieg Seafood Finnmark AS have a contractual early retirement scheme (AFP) for 285 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 all 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 2 900 for 2012 and NOK 4 500 per member per year for 2011. A discount rate of 3.8% has been used. Underfunding is provided for as part of the pension commitment in the balance sheet.

The group had one pension scheme in 2012 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 2012, NOK 88 000, and for 2011, NOK 203 000, is 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.

	2012	2011
Other pension to former employees	373	455
Provision to cover underfunding of wound-up AFP scheme	737	1 102
Net pension commitment at 31.12	**1 110**	**1 557**
The breakdown of net pension costs is as follows:		
Payment of pension funded through operations during year	88	203
Provision to cover underfunding of AFP scheme LO/NHO scheme	-366	-286
Premium under AFP scheme LO/NHO scheme	376	714
Premium under new AFP scheme	1 537	792
Premium under defined contribution based pension scheme	3 605	2 193
Net pension cost for the year	**5 240**	**3 616**
Change in pension commitment		
Book value at 01.01.	1 557	2 050
Provision to cover underfunding of old AFP scheme	-366	-286
Payment of pension funded through operations during year	-81	-207
Book value at 31.12.	**1 110**	**1 557**

Notes to the Consolidated Accounts

Note 26 Other current liabilities

Specification of other current liabilities	2012	2011
Accrued expenses*	52 214	43 685
Other non-current liabilities	1 768	4 767
Other current liabilities	**53 982**	**48 452**

*) Accrued expenses relates to accrued operating expenses and accrued insurance.

Note 27 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	Subsequently	Total
Minimum lease amount	9 298	26 323	43 993	79 614
Present value of future minimum lease amount (5% discount rate)	8 855	25 070	41 899	75 824

	2012	2011
Lease amount charged in the year.	11 270	8 853
Total lease amount charged	**11 270**	**8 853**

Financial lease commitments - group company as lessee:

The group has signed finance leases for equipment such as barges, well boats, cage installations and other equipment.
The lease period for equipment of this kind is mainly 7 - 8 years.
The future agregate minimum lease payments related to financial leases are as follows:

Overview of future minimum lease amount (finance leases)	Within 1 year	1-5 years	Subsequently	Total
Future minimum lease amount	52 671	125 574	52 059	230 304
Future financial expenses related to finance leases	7 939	19 031	2 454	29 424
Present value of finance leases	**44 732**	**106 543**	**49 605**	**200 880**

Leased assets booked as finance lease	2012	2011
Book value of leased assets (equipment, vessels)	233 335	260 243
Book value of lease commitment	200 880	224 332

Notes to the Consolidated Accounts

Note 28 Public grants/Guaranties/Contingent liabilities

Public grants:
In the period 2009-2011 Grieg Seafood Hjaltland UK Ltd received approval for investment grants from EU totalling GBP 2 155 898, of which GBP 861 465 has been disbursed. The grants are paid when investments are commenced.

Guaranties:
As at 31.12.2012 the group had a guaranty commitment for NOK 12m in connection with the construction of a young fish plant in Finnmark.

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 31.12.2012 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 2012.

Notes to the Consolidated Accounts

Note 29 Related parties

Amounts in NOK 1 000

2012	Operating income	Operating expenses	Financial income	Financial expenses	Long-term balances	Short-term balances
Total - related parties as shareholders	0	5 025	0	15 552	0	-1 197
Total - related parties as associated companies	70	64 279	40	0	1 020	-2 831
Total - related parties as joint ventures	1 195 795	0	0	0	0	-29 779
Total	**1 195 865**	**69 304**	**40**	**15 552**	**1 020**	**-33 807**

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 joint ventures	1 029 271	0	0	0	0	108 709
Total	**1 029 593**	**33 817**	**135**	**1 346**	**103**	**103 539**

The group purchases service from companies in the same group as its majority shareholder, Grieg Holdings AS.
These services include:

- Services related to ICT and other functions such as canteen, reception etc. are provided by Grieg Group Resources AS. The services are provided on an arm's length 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). This loan was settled on 31.12.2012 and the guarantee was terminated.

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 channelled through Ocean Quality AS. For further information place refer to notes 7 and 13.

Transactions with other related parties in associated companies are the purchase of services related to operations.
The board and management are related parties. See note 10 on share based options and note 23 on shares controlled by the board members and management.

Note 30 Post-balance sheet events

Since the closing of accounts at year-end 2012 there have been no events which could materially affect the results for 2012.

GRIEG SEAFOOD PARENT COMPANY

Income Statement

Amounts in NOK 1 000	Note	2012	2011
Other operating income	**2, 10**	29 851	30 076
Total operating income		**29 851**	**30 076**
Salaries and personnel expenses	**11, 12**	-28 760	-13 755
Depreciation	**13, 14**	-2 617	-2 294
Other operating expenses	**11**	-26 384	-16 299
Operating loss		**-27 909**	**-2 272**
Interest income		57 756	39 144
Interest expenses		91 613	44 421
Net financial income/loss(-)		-8 971	57 997
Net financial profit/loss(-)	**18**	**-42 827**	**52 720**
Profit/loss(-) before tax		**-70 737**	**50 447**
Income tax expense (-)/income	**16**	17 739	-16 343
Profit/loss (-) for the year		**-52 997**	**34 104**

Balance Sheet

Amounts in NOK 1 000

Assets	Note	31.12.2012	31.12.2011
Software	13	3 636	3 293
Deferred tax assets	16	25 068	5 829
Property, plant and equipment	14	7 459	5 679
Investments in subsidiaries	8	1 220 980	1 220 980
Receivables from group companies	3, 5	898 989	695 858
Investments in associated companies and joint ventures	8	6 000	6 000
Investments in shares or units	9	490	486
Total non-current assets		**2 162 622**	**1 938 126**
Accounts receivable	3, 4	4 733	6 004
Loans to group companies	3	452 039	621 487
Other current receivables	5	1 871	2 761
Cash and cash equivalents	6	190 611	92 182
Total current assets		**649 254**	**722 434**
Total assets		**2 811 876**	**2 660 559**

Liabilities and equity	Note	31.12.2012	31.12.2011
Share capital	15	446 648	446 648
Treasury shares	15	-5 000	-5 000
Other reserves		13 652	13 652
Retained earnings		765 666	818 659
Total equity		**1 220 966**	**1 273 959**
Cash-settled share options	12	9 267	193
Mortgage loan	19	545 742	583 380
Bond loan	19	400 000	0
Other non-current liabilities	3	0	952
Total non-current liabilities		**955 009**	**584 525**
Short-term borrowings	19	600 800	772 000
Loans from group companies	3	254	1 516
Accounts payable	3	2 530	2 041
Accrued salary expense and public tax payable		2 189	1 747
Other current liabilities	5	30 127	24 771
Total current liabilities		**635 900**	**802 075**
Total liabilities		**1 590 909**	**1 386 600**
Total liabilities and equity		**2 811 876**	**2 660 559**

Bergen, 22. March 2013 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

Cash Flow Statement

Amounts in NOK 1 000	2012	2011
Profit before income taxes	-70 737	50 448
Proceeds from sale of shares and other equity instruments	0	64
Depreciation and amortisation	2 617	2 294
Impairment (reversed impairment) of investments	0	2 516
(Gains)/losses on sale of assets	0	701
Fair value (gains)/losses on financial assets/instruments	-4	-14
Interest paid	90 833	35 287
Change in accounts receivable	1 270	-5 901
Change in accounts payable	489	778
Change in net pension liabilities	0	-127
Change in other accruals	-13 390	-33 542
Net cash flow from operations	**11 078**	**52 504**
Dividend income	25	20
Proceeds from sale of tangible assets	0	469
Purchase of tangible assets	-3 646	-6 164
Purchase of intangible assets	-1 093	-3 485
Purchase of shares and equity instruments in other companies	0	-46 020
Repayment on loans to group companies	-203 131	-237 941
Payment of group accounts receivable	150 221	46 437
Payment on other accounts receivable	0	1 922
Net cash flow from investment activities	**-57 624**	**-244 762**
Change in short-term credit facilities	-200 000	440 000
Payments on loans from group companies	36 140	-150
Change in non-current interest bearing debt	399 668	-58 047
Interest paid	-90 833	-35 287
Dividends paid	0	-150 744
Purchase of treasury shares	0	-18 036
Net cash flow from financing activities	**144 975**	**177 736**
Net change in cash and cash equivalents	**98 429**	**-14 521**
Cash and cash equivalents at 01.01.	**92 182**	**106 704**
Cash and cash equivalents at 31.12	**190 611**	**92 182**

Change in Equity - Grieg Seafood ASA

	Share capital	Share premium reserve	Other paid in equity	Other equity	Total equity
Equity at 01.01.2011	**446 648**	**0**	**26 626**	**784 569**	**1 257 843**
Profit for the year 2011				34 105	34 105
Other gains/losses recorded in equity				-14	-14
Effect of options scheme			64		64
Purchase of treasury shares	-5 000		-13 036		-18 036
Equity at 31.12.2011	**441 648**	**0**	**13 654**	**818 660**	**1 273 962**
Profit for the year 2012				-52 997	-52 997
Other gains/losses recorded in equity				1	1
Equity at 31.12.2012	**441 648**	**0**	**13 654**	**765 664**	**1 220 966**

Note 1 Accounting policies

The annual financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. All amounts are in TNOK, unless stated otherwise.

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 classified as fixed assets. Assets related to the normal operating cycle, are classified as current assets. Receivables are classified as current assets if they are expected to be repaid within 12 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 recognised in the balance sheet 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 asset's estimated useful life. Fixed assets are written down to fair value where this is required by accounting rules.

Nominal amounts are is discounted if the interest rate element is significant.

FIXED ASSETS

Fixed assets are recognised in the balance sheet and depreciated on a straight line basis over the estimated useful 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 operating expenses, while improvements and additions are added to the acquisition cost and depreciated at the same pace as 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 finance 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 a write-down has not been necessary. Group contributions to subsidiaries, with tax deducted, are recognised 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/group contributions 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 fair value. 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.

PENSIONS

Effective from 01.07.2009 the company established a defined contribution based pension scheme for all employees. The company's pension schemes meet the requirements of the manadatory Occupatonal Pension Act. The premium is paid through operations and is charged as it arises. Social security costs 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 lends 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 jointly and severally responsible to the financial institutions for the whole amount of the commitment under the scheme.

FOREIGN CURRENCY

All foreign currency transaction are translated into NOK at the date of the transaction. All monetary itmes in foreign currency are translated at the year-end rate. Derivatives are stated at fair value and value changes are recognised in the income statement.

Note 2 Transactions with related parties

Amounts in NOK 1 000

The company has transactions with companies which are controlled by Grieg Seafood ASA's largest shareholder, Grieg Holdings AS, and with its own subsidiaries and joint venture companies.

The company's transactions with related parties were as follows:

Sale of services	**2012**	**2011**
Sale of services		
- subsidiaries	27 426	29 215
- joint ventures (Ocean Quality AS)	2 425	1 561
Total	**29 851**	**30 776**

The parent company provides its subsidiaries with a number of services. This relates to administrative services and the provision of long-term loans and short-term credit facilities. The sale of services to the joint venture company (Ocean Quality AS) relates to administrative services where the price is based on the arm's length principle.

Grieg Seafood ASA enters into hedging contracts on behalf of Grieg Seafood Rogaland AS and Grieg Seafood Finnmark AS in order to reduce these companies' exposure to salmon process and currency fluctuations. The agreements with the subsidiaries are priced on the basis of a "back to back" agreement. No hedging contracts were entered into in 2012.

Purchase of services	**2012**	**2011**
Purchase of services		
- subsidiaries	2 403	14 510
- companies controlled by the Grieg Group	5 026	5 361
Total	**7 429**	**19 871**

Grieg Seafood ASA rents its offices from Grieg Gaarden KS. Administrative services are provided by Grieg Group Resources AS. All services and the rent are based on the arm's length principle.

Financial income	**2012**	**2011**
Financial income		
- subsidiaries	55 633	34 723
Total	**55 633**	**34 723**

Grieg Seafood ASA provides its subsidiaries with both long-term and short-term funding to its subsidiaries.
The interest income is based on the arm's length principle.

Financial expenses	**2012**	**2011**
Financial expenses		
- subsidiaries	0	868
- companies controlled by the Grieg Group	15 552	1 346
Total	**15 552**	**2 214**

Notes to the accounts

Note 3 Inter-company balances with related parties

Amounts in NOK 1 000

Loans to group companies non-current	2012	2011
Grieg Seafood Finnmark AS	275 000	227 500
Grieg Seafood Rogaland AS	109 200	109 200
Grieg Seafood Hjaltland UK Ltd	348 109	179 889
Grieg Seafood B.C. Ltd	186 032	192 703
Unrealised currency gains/losses	-19 352	-13 434
Total	**898 989**	**695 858**

Accounts receivable		
Grieg Seafood Finnmark AS	24	441
Grieg Seafood Rogaland AS	56	139
Erfjord Stamfisk AS	0	34
Total accounts receivable - group companies	**80**	**614**
Ocean Quality AS (joint venture)	859	14
Companies controlled ty the Grieg Group	2	379
Total	**941**	**1 007**

Loans to group companies current		
Grieg Seafood Canada AS	1 405	1 285
Grieg Seafood BC Ltd	10 002	54 247
Grieg Seafood Finnmark AS	184 626	184 324
Grieg Seafood Hjaltland UK Ltd	209 062	294 382
Grieg Seafood Rogaland AS	22 032	49 847
Erfjord Stamfisk AS	6 738	0
Group contribution receivable	18 174	37 402
Total	**452 039**	**621 487**

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

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

*) Relates to loan from Grieg Gaarden KS

Loans from group companies		
Grieg Seafood Finnmark AS	254	466
Grieg Seafood BC Ltd	0	1 050
Total	**254**	**1 516**

Accounts payable - related parties		
Companies controlled by the Grieg Group*	0	1 850
Total	**0**	**1 850**

*) Relates to Grieg Group Resources AS and Grieg Gaarden KS

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

*) Relates to Grieg Holdings AS

Notes to the accounts

Note 4 Accounts receivable

Amounts in NOK 1 000	2012	2011
Accounts receivable at nominal value	4 733	6 004
Provisions for bad debt	0	0
Book value of accounts receivable at 31.12	**4 733**	**6 004**
Bad debt realised	905	14 762
Sum loss on accounts receivable charged in the accounts	**905**	**14 762**

On behalf of its subsidiaries Grieg Seafood Finnmark AS and Grieg Seafood Rogaland AS, Grieg Seafood ASA has arranged salmon price contracts. In view of the fact that the contractual counterparty is in compulsory liquidation, the accounts for 2011 include a loss of NOK 14 762 000 related to these price contracts.
In 2012 a further NOK 905 000 was charged related to these contracts.

Note 5 Other receivables /other current liabilities

Amounts in NOK 1 000

Other long-term receivables	2012	2011
Receivables - group companies, see note 3	898 989	695 858
Other long-term receivables at 31.12	**898 989**	**695 858**

Other short-term receivables	2012	2011
Prepaid expenses	833	2 558
Receivables from related parties, see note 3	0	123
Other current receivables	1 038	80
Other current receivables at 31.12	**1 871**	**2 761**

Other current liabilities	2012	2011
Accrued interest	12 083	12 164
Other accrued expenses	3 232	11 261
Unrealised loss on interest rate swap contracts	13 649	0
Unrealised loss on foreign foreign currency contracts	156	0
Other current liabilities	1 006	1 346
Other current liabilities at 31.12	**30 127**	**24 771**

Note 6 Restricted bank deposits

Amounts in NOK 1 000	2012	2011
Restricted deposits related to employees' tax deductions	868	817
Total	**868**	**817**

Note 7 Derivative to fair value - through profit and loss

Amounts in NOK 1 000 NOK	2012		2011	
	Assets	Current liabilities	Assets	Current liabilities
Forward foreign currency contracts		-156		
Interest rate swap contracts (2 contracts for a total of NOK 600m maturing in 2012 and 2013)	-	-13 649	-	-7 887
Total derivative to fair value - through profit and loss	**-**	**-13 805**	**-**	**-7 887**

Change in fair value posted as financial items	2012	2011
Unrealised gain/loss on foreign currency contracts/interest rate swaps	-4 712	-8 936
Realised gain/loss on foreign currency contracts/interest rate swaps	-3 487	-2 083
Net realised/unrealised gain/loss on financial instruments	**-8 199**	**-11 019**

Note 8 Investments in subsidiaries, associated companies and joint ventures

Amounts in NOK 1 000

Subsidiaries	Registered office - country	Registered office - location	Ownership	Equity at 31.12.2012	Profit/loss 2012	Book value
Grieg Seafood Rogaland AS	Norway	Bergen	100 %	300 473	19 755	174 658
Grieg Seafood Canada AS	Norway	Bergen	100 %	66 809	-94	138 252
Grieg Seafood Finnmark AS	Norway	Alta	100 %	260 130	-30 295	400 481
Grieg Seafood Hjaltland UK Ltd	UK	Shetland	100 %	74 257	-154 556	458 750
Erfjord Stamfisk AS	Norway	Suldal	100 %	58 270	9 026	48 839
Book value of subsidiaries at 31.12						**1 220 980**

On 24 January 2011 Grieg Seafood ASA agreed to purchase the remaining 51.3% shareholding in Erfjord Stamfisk AS from Erfjord Næringsutvikling AS for NOK 45m.

Joint venture	Registered office - country	Registered office - location	Ownership	Equity at 31.12.2012	Profit/loss 2012	Book value
Ocean Quality AS (joint venture)	Norway	Bergen	60,00 %	43 221	28 606	6 000
Book value at 31.12						**6 000**

Note 9 Investments in shares

Amounts in NOK 1 000

Investments in shares	Registered office - country	Registered office - location	Ownership	No. of shares	Acquisition cost	Book value
Finnøy Næringspark AS	Norway	Finnøy	7,14 %	100	103	103
DN Global Allokering	Norway	Oslo		3 038	630	363
Codfarmers ASA	Norway	Oslo	0,00 %	500	156	4
CO2 AS	Norway	Lindås	10,00 %	2	20	20
Book value of shares at 31.12						**490**

In 2011 Cod Farmers ASA was merged with Atlantic Cod Farms AS. Grieg Seafood ASA owned 22 271 shares in Atlatic Cod Farmers AS. After the merger these shares were replaced by 500 shares in Cod Farmers ASA.

Note 10 Operating income

Amounts in NOK 1 000

Operating income consists of:	2012	2011
Gain/loss on sale of fixed assets	0	-701
Administrative services - Grieg Seafood Group	27 427	29 170
Other operating income	2 425	1 607
Total other operating income	**29 851**	**30 076**

Notes to the accounts

Note 11 Payroll, fees, no. of employees etc.

Amounts in NOK 1 000	Note	2012	2011
Wages and salaries		15 181	13 993
Social security costs		2 116	2 493
Shares options for directors and key personnel	12	9 809	-5 588
Pension costs - defined contribution plans	17	714	689
Other personnel costs		940	2 168
Total		**28 760**	**13 755**

Average number of employees	13	13

Pension costs are described in note 17.
The board's guidelines and principles for the determination of salary and other remuneration to the management group are included in the financial statements for the group.

The accumulated cost of salaries, pensions and other benefits to the CEO, CFO and board members in 2012 were as follows:

Remuneration to senior employees in 2012 (NOK 1 000)	Salary	Bonus	Options exercised during year	Other benefits	Total
Morten Vike (CEO)	2 519	0	0	272	2 791
Atle Harald Sandtorv (CFO)	1 327	0	0	128	1 455
Total remuneration incl. social security costs					**4 246**

Board members		
Per Grieg jr. 1)	388	388
Terje Ramm 2)	234	234
Wenche Kjølås 2)	234	234
Ingelise Arntsen	200	200
Asbjørn Reinkind 1)	262	262
Total remuneration incl. social security costs		**1 318**

1)The payment to Per Grieg jr. and Asbjørn Reinkind includes NOK 11 500 paid as remuneration for work done in the remuneration committee.
2) The payment to Terje Ramm and Wenche Kjølås includes NOK 22 800 paid as remuneration for work done in the audit committee.
The payments include social security costs.

The accumulated cost of salaries, pensions and other benefits to the CEO, CFO and board members in 2011 were as follows:

Remuneration to senior employees in 2011 (NOK 1 000)	Salary	Bonus	Options exercised during year	Other benefits	Total
Morten Vike (CEO)	2 821	848	0	274	3 943
Atle Harald Sandtorv (CFO)	1 538	476	839	114	2 967
Total remuneration incl. social security costs					**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 costs		**1 249**

1) Remuneration for work done in the remuneration committee is included in the payment to Per Grieg jr., Anne-Grete Ellingsen and Asbjørn Reinkind in the sum of NOK 11 419, NOK 4 758 and NOK 6 661, respectively.
2) Remuneration to Terje Ramm and Wenche Kjølås includes payment for for work done in the audit committee in the sum of NOK 29 478.
The payments include social security costs.

Specification of auditor's fee	2012	2011
Statutory audit	772	663
Other assurance services	97	49
Tax advisory fee	20	16
Other services	5	107
Total	**894**	**835**

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 31.12.2012 there were no 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 06.05.2013. A total of 1 400 000 options were allocated in March 2012 with the last exercise date on 24.05.2015. Employees taken on after the first allocation of options have been allocated options on taking up employment. The last options mature on 04.05.2015. 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 2011 and 2012.

Overview 2012	Option category	Outstanding options 31.12.2011	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2012	Of which cash-settled
Morten Vike (CEO)	Equity-based option	300 000	-	-	-	300 000	-	
Morten Vike (CEO)	Cash settlement	300 000	400 000	-	-	-	700 000	700 000
Atle Harald Sandtorv (CFO)	Cash settlement	80 000	200 000	-	-	-	280 000	280 000
Others	Cash settlement	505 884	800 000	-	-	-	1 305 884	1 305 884
Total		**1 185 884**	**1 400 000**	**-**	**-**	**300 000**	**2 285 884**	**2 285 884**

Overview 2011	Option category	Outstanding options 31.12.2010	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options 31.12.2011	Of which cash-settled
Morten Vike (CEO)	Equity-based option	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**

Allocation: Year - month	Expiry date: Year - month	Strike price NOK per share as at 31.12.2012	Options 2012	Options 2011
2008 - 06	2012 - 02	**-**		300 000
2009 -05	2013 - 03	**9,51**	255 884	255 884
2009 -05	2013 - 05	**9,51**	430 000	430 000
2009 - 12	2013 - 12	**12,75**	100 000	100 000
2010 - 09	2013 - 09	**18,73**	50 000	50 000
2010 - 09	2014 - 09	**18,73**	50 000	50 000
2012 - 03	2014 - 05	**7,10**	700 000	
2012 - 03	2015 - 05	**7,10**	700 000	
Total			**2 285 884**	**1 185 884**

	2012	2011
Equity based options available for exercise	-	300 000
Weighted average outstanding contract period	-	0,16
Cash-based options available for settlement	1 585 884	885 884
Weighted average outstanding contract period	8,34	1,16

Notes to the accounts

Note 12 Share and cash-based remuneration

2012	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 2012 *)	Acc. cost charged against equity at 31.12.2012	Book liability cash settlement at 31.12.2012
Morten Vike (CEO)	Share options	13,20	3,74	1 123	1 122	-	1 122	
Former employees where option has expired	Share options	23,00	5,86	2 346	2 346	-	2 346	
Others	Share options	23,00	5,72	4 005	3 419	-	3 419	
Morten Vike (CEO)	Cash settlement	7,83	3,81	1 143	63	1 247		1 310
Morten Vike (CEO)	Cash settlement	6,83	1,78	712		1 717		1 717
Atle Harald Sandtorv (CFO)	Cash settlement	10,76	3,40	680	10	199		209
Atle Harald Sandtorv (CFO)	Cash settlement	6,83	1,78	356		866		866
Other options allocated in 2007	Cash settlement	7,83	3,81	3 047	111	1 640		1 750
Other options allocated in 2010	Cash settlement	16,50	6,66	666	10	91		102
Other options allocated in 2012	Cash settlement	6,83	1,78	1 424		3 313		3 313
Total				**14 078**	**7 081**	**9 073**	**6 887**	**9 267**

*) Amounts exclusive of social security costs.

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)	Share options	13,20	3,74	1 123	1 058	64	1 122	
Former employees where option has expired	Share options	23,00	5,86	2 346	2 346	-	2 346	
Others	Share 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
Other options 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**

*) Amounts exclusive of social security costs.

	2012	2011	Classification in accounts
Accrued cost is divided as follows:	**9 073**	**-5 588**	
Accrued cost cash settlement	9 073	-5 652	Other provisions for commitments
Accrued cost - options	-	64	Other equity contributions
Total cost excl. employer's national insurance contributions	**9 073**	**-5 588**	
Employer's national insurance contributions	735	-993	Public dues payable
Total cost incl. employer's national insurance contributions	**9 809**	**-6 581**	Payroll & social security costs

The costs related to share and cash-based remuneration, NOK 9 073, is charged in the income statement as a personnel cost. The accumulated cost from the date of allocation amounts to NOK 10 353 000, including social security contributions. Social security contributions are provided for on an ongoing basis based on the fair value of the options.

At 31 December 2012 outstanding options with the right to cash settlement were stated at NOK 9 267 000 as "Other non-current liabilities. Options issued are cancelled when employment terminates.

Estimates used in calculations on allocation of options	
Anticipated volatility (%)	**59,66**
Risk-free rate of interest (%)	**1,57**
Estimated qualification period (years)	**1,58**

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 accounts

Note 13 Intangible assets

2011	Software	Total
Book value at 01.01.	521	**521**
Intangible assets acquired	3 485	**3 485**
Amortisation	-712	**-712**
Book value at 31.12.	**3 294**	**3 294**
As at 31.12.		
Acquisition cost	6 797	**6 797**
Accumulated amortisation	-3 503	**-3 503**
Book value at 31.12.	**3 294**	**3 294**
Economic lifetime/amortisation plan	**3 år**	

2012	Software	Total
Book value at 01.01.	3 294	**3 294**
Intangible assets acquired	1 093	**1 093**
Amortisation	-751	**-751**
Book value at 31.12.	**3 636**	**3 636**
As at 31.12.		
Acquisition cost	7 889	**7 889**
Accumulated amortisation	-4 254	**-4 254**
Book value at 31.12.	**3 636**	**3 636**
Economic lifetime/amortisation plan	**3 years**	

Note 14 Tangible fixed assets

2011	Plant, equipment and other fixtures etc.	Total
Book value at 01.01	2 267	**2 267**
Tangible fixed assets acquired	6 095	**6 095**
Tangible fixed assets sold	-1 101	**-1 101**
Depreciation on assets sold	-1 582	**-1 582**
Book value at 31.12.	**5 679**	**5 679**
As at 31.12.		
Acquisition cost	8 660	**8 660**
Accumulated depreciation	-2 981	**-2 981**
Book value at 31.12.	**5 679**	**5 679**

2012	Plant, equipment and other fixtures etc.	Total
Book value at 01.01	5 679	**5 679**
Tangible fixed assets acquired	3 646	**3 646**
Tangible fixed assets sold	0	**0**
Depreciation on assets sold	-1 866	**-1 866**
Book value at 31.12.	**7 459**	**7 459**
Per 31.12.		
Acquisition cost	12 375	**12 375**
Accumulated depreciation	-4 916	**-4 916**
Book value at 31.12.	**7 459**	**7 459**
Economic lifetime/depreciation plan	**3-5 years**	

Notes to the accounts

Note 15 Share capital and shareholder information

Share capital:
As at 31 December 2012 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 1 000)	Nominal value (NOK)	Total share capital (NOK 1 000)	No. of ordinary shares
31.12.2011			**4,00**	**446 648**	**111 662 000**
	Holdings of treasury shares		4,00	-5 000	-1 250 000
31.12.2012				**441 648**	**110 412 000**

The largest shareholders of Grieg Seafood ASA	No. of shares **31.12.12**	Shareholding **31.12.12**	No. of shares **31.12.11**	Shareholding **31.12.11**
GRIEG HOLDINGS	55 801 409	49,97 %	55 801 409	49,97 %
KONTRARI AS	15 250 000	13,66 %	15 250 000	13,66 %
YSTHOLMEN AS	3 868 197	3,46 %	3 868 197	3,46 %
SJØSTJERNA INVEST AS	3 150 560	2,82 %	-	0,00 %
KVERVA AS	2 412 793	2,16 %	-	0,00 %
OM HOLDING AS	1 941 636	1,74 %	1 346 622	1,21 %
CAPELKA AS	1 572 000	1,41 %	1 572 000	1,41 %
DNB NOR SMB	1 479 977	1,33 %	2 771 744	2,48 %
DROME AS	1 368 239	1,23 %	-	0,00 %
GRIEG SEAFOOD ASA	1 250 000	1,12 %	1 250 000	1,12 %
HARALD VOLDEN	-	0,00 %	3 100 560	2,78 %
SKANDINAVISKA ENSKILDA BANKEN	853 100	0,76 %	1 874 999	1,68 %
TROND MOHN	500 000	0,45 %	1 500 000	1,34 %
Total - largest shareholders	**89 447 911**	**80,11 %**	**88 335 531**	**79,11 %**
Other shareholders with shareholding less than 1%	22 214 089	19,89 %	23 326 469	20,89 %
Total shares	**111 662 000**	**100,00 %**	**111 662 000**	**100,00 %**

Shares controlled by board members and group management:

	31.12.2012	**31.12.2012**	**31.12.2011**	**31.12.2011**
Board of Directors:				
Per Grieg jr. *)	60 726 561	54,38 %	60 726 561	54,38 %
Wenche Kjølås (Jawendel AS)	7 000	0,001 %	7 000	0,001 %
Asbjørn Reinkind	100 000	0,09 %	60 000	0,05 %
Group management:				
Morten Vike (CEO)	75 000	0,07 %	75 000	0,07 %
Atle Harald Sandtorv (CFO)	15 000	0,01 %	15 000	0,01 %
***Shares owned by the following companies are controlled by Per Grieg jr. and family.**				
Grieg Holdings AS	55 801 409	49,98 %	55 801 409	49,98 %
Grieg Shipping AS	824 565	0,74 %	824 565	0,74 %
Ystholmen AS	3 868 197	3,46 %	3 868 197	3,46 %
Grieg Ltd AS	217 390	0,19 %	217 390	0,19 %
Per Grieg jr. private	15 000	0,02 %	15 000	0,02 %
Total no. of shares controlled by Per Grieg jr. and family	**60 726 561**	**54,39 %**	**60 726 561**	**54,39 %**

Notes to the accounts

Note 16 Taxes

Temporary differences	Change	2 012	2 011
Fixed assets	-582	184	-397
Income statement	947	3 787	4 734
Amortised cost	-8 837	9 457	620
Financial instruments	4 868	-13 805	-8 937
Pension fund	0	0	0
Cash-based options	9 809	-10 029	-221
Net temporary differences	**6 204**	**-10 405**	**-4 201**
Tax loss carried forward	64 149	-73 722	-9 573
Change in tax loss carried forward from 2011	115		115
Change in unutilised tax allowance from withholding tax	-1 302	-5 341	-6 643
Unutilised allowance and income correction	61	-61	0
Basis of deferred tax/deferred tax assets	**69 227**	**-89 530**	**-20 302**
28% of deferred tax assets	19 384	-25 068	-5 685
Changes in tax assessment	-144	0	-144
Deferred tax/deferred tax assets in balance sheet	**19 240**	**-25 068**	**-5 829**
Change in deferred tax in balance sheet		-19 240	16 344
Change in deferred tax in income statement		-19 240	**16 344**

The tax charge for the year arises as follows:

Basis for tax payable	2 012	2 011
Profit before taxes	-70 737	0
Permanent differences on write-down of shares	0	2 500
Increased group contribution from 2011, recognised in 2012	-395	0
Group contribution entered as income	-18 174	-37 402
Employee options	0	64
Other permanent differences and recognised share dividends	603	72
Basis for tax expense for the year	**-88 703**	**-34 766**
Change in temporary differences	6 204	3 324
Basis for tax payable in the income statement	**-82 499**	**-31 442**
Group contribution received	18 174	37 402
Taxable profit before application of tax loss carried forward	-64 324	5 960
To be carried forward(/-Application of tax loss carried forward)	73 722	-56 408
Taxable profit	0	0
Basis for tax payable	**0**	**-50 448**
28% of the basis for tax payable (tax expense in the income statement)	0	0
Repayment of withholding tax	5	0
Tax credit charged in income statement	1 496	0
Change in deferred tax	-19 240	16 344
Total tax charge	**-17 739**	**16 344**

Tax payable in the balance sheet	2 012	2 011
Tax payable (28% of the basis for tax payable)	0	0
Tax payable in balance sheet	**0**	**0**
Tax loss carried forward	**73 722**	**9 458**

Notes to the accounts

Note 17 Pension obligations

At 31 December 2012 the pension scheme covered 13 employees. The pension scheme is funded and managed through an insurance company.

	2012	2011
Net pension costs consist of the following:		
Pensions funded through operations	0	127
Premium for defined contribution based pension scheme	714	562
Net pension cost for the year	**714**	**689**
Change in pension obligations		
Book value at 01.01	0	127
Pensions funded through operations	0	-127
Book value at 31.12	**0**	**0**

Note 18 Financial income and financial expenses

	2012	2011
Interest income from group companies	55 633	37 330
Other interest income	2 123	1 813
Group contribution from subsidiaries	18 569	37 402
Other financial income	25	20
Total financial income	**76 351**	**76 566**
Net currency gain/loss	22 323	-32 731
Derivatives	4 868	8 937
Loan interest expenses	72 560	42 184
Other interest expenses	19 053	2 238
Other financial expenses	374	3 219
Total financial expenses	**119 178**	**23 846**
Net financial items	**-42 827**	**52 720**

Notes to the accounts

Note 19 Borrowings

Amounts in NOK 1 000

The company's interest-bearing debt at 31 December 2012 comprised bank loans and financial loan obligations.
The company's financing facility is based on a mortgage loan of MNOK 656, a multi-currency credit facility of MNOK 500 and a bond loan of MNOK 400.
In 2011 took up a temporary loan of MNOK 200 which was settled in 2012.

As at 31 December 2012 the company was in compliance with all covenants.

Non-current liabilities	2012	2011
Mortgage loan	555 200	584 000
Bond loan	400 000	0
Other non-current liabilities	0	952
Amortised cost	-9 458	-620
Total interest-bearing non-current liabilities	**945 742**	**584 332**

Current liabilities		
Revolving credit facility *)	500 000	500 000
Temporary loan	0	200 000
Total interest-bearing current liabilities	**600 800**	**772 000**

Gross interest-bearing liabilities	**1 556 000**	**1 355 712**
Cash and cash equivalents	190 611	92 182
Loans to group companies	1 332 854	1 279 919
Net interest-bearing liabilities	**32 535**	**-15 769**

*) The company has a total revolving credit facility of NOK 500m which was fully utilised at year-end 2012.

Maturity profile - non-current liabilities	2014	2015	Subsequently	Total
Mortgage loan	100 800	444 942	0	545 742
Bond loan		400 000		400 000
Total	**100 800**	**844 942**	**0**	**945 742**

Liabilities secured by mortgage	2012	2011
Liabilities to credit institutions	1 156 000	1 356 000
Total liabilities	**1 156 000**	**1 717 356**

Book value of assets pledged as security		
Shares in subsidiaries	1 220 980	1 220 980
Shares in joint ventures	6 000	6 000
Fixed assets	7 459	2 788
Accounts receivable	4 733	103
Loans to group companies	1 332 854	1 086 533
Total assets pledged as security	**2 572 026**	**2 316 404**

				2012		2011	
Type of debt	**Currency**	**Interest rate**	**Maturity**	**Current portion**	**Non-current portion**	**Current portion**	**Non-current portion**
Syndicated long-term loan	NOK	Floating	2015	100 800	555 200	72 000	584 000
Syndicated loan revolving credit	Multi	Floating	2015	500 000	0	500 000	0
Bond loan	NOK	Floating	2015	0	390 542		
Other non-current liabilities		Floating	2013	0	0	0	952
Total				**600 800**	**945 742**	**772 000**	**584 952**

Average interest rate on syndicated loans in 2012

	31.12.12	NOK	CAD	GBP	USD
Syndicated long-term loan	656 000	656 000			
Syndicated loan revolving credit	500 000	500 000			
Bond loan	400 000	400 000			
Total loans	**1 556 000**	**1 556 000**	**0**	**0**	**0**

Aveage rate of interest in 2012 **4,94 %**

Notes to the accounts

Note 20 Guarantees, Guarantor

Guarantees
As at 31 December 2012 total guarantees amounted to NOK 12 020 000. The guarantees have been given in connection with the construction of a young fish plant by Grieg Seafood Finnmark AS. The guarantee commitments were undertaken in 2011 and mature in 2013.

Guarantor
Grieg Seafood ASA serves as guarantor on behalf of Grieg Seafood Finnmark AS and Grieg Seafood Rogaland AS in connection with an extension of credit extension granted by Skretting for the purchase of fish feed. The total amount is TNOK 96 000 which falls due on 28 February 2014.

Grieg Seafood ASA also serves as guarantor for an extension of credit given to Hjaltland Seafarm Ltd. by Skretting for the purchase of fish feed. The total amount is TEUR 6 000, with maturity on 31 March 2014.

Notes to the accounts

Note 21 Post-balance sheet events

Since the closing of accounts at year-end 2012 there have been no events which could materially affect the accounts for 2012.

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 2012, 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 2012, 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 2012, 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 2012, 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 coverage of the loss 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 2013
PricewaterhouseCoopers AS

Torun Rognes
State Authorised Public Accountant (Norway)

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