

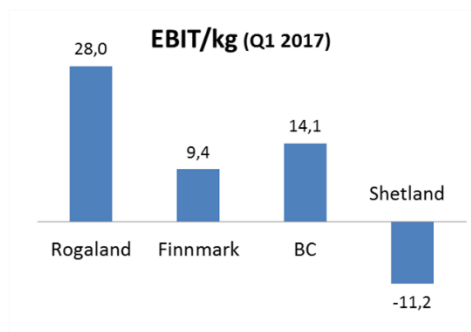
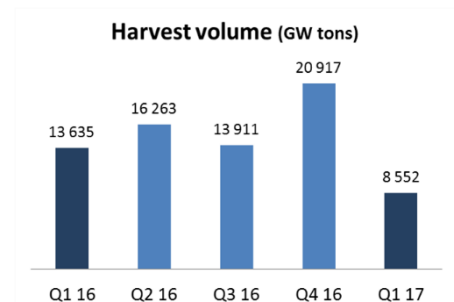
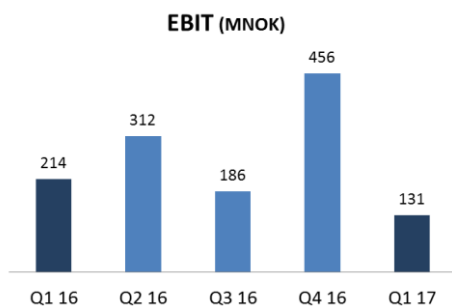
A large salmon farm in a fjord at night. The water is dark blue with many salmon swimming. In the background, there are dark mountains and a bright green aurora borealis in the sky. A long, curved walkway with railings runs along the edge of the farm. The Grieg Seafood logo is in the top right corner.

Grieg
Seafood®

Q1
2017

Highlights – First Quarter 2017

- EBIT: MNOK 131.5 (EBIT/kg: NOK 15).
- Market remains strong.
- Low harvest volume (8 552 tons) in three regions, as planned in order to boost sea production, increases costs per kilo.
- Stable production in all regions.
- EBIT/kg in Rogaland: NOK 28.0.
 - Normal harvest volume and stable costs.
- EBIT/kg in Finnmark: NOK 9.4.
 - ILA location laid fallow, costs included in Q4.
- EBIT/kg in BC: NOK 14.1.
 - Harvesting from weak generation previously affected by algae challenges.
- EBIT/kg in Shetland: NOK -11.2.
 - Harvesting from weak locations to be laid fallow under new production plan.
- Expected harvest volume of 70 000 tons in 2017 is maintained.
 - Smolt input as planned and reflects an increase (in both number and size) compared with Q1 2016.



Grieg Seafood Group (TNOK)	1Q 2017	1Q 2016
Total operating income	1 422 137	1 266 245
EBITDA (1)	178 399	252 345
EBIT (2)	131 492	214 382
Profit before tax	-69 255	252 201
Harvest volume (guttet weight tons)	8 552	13 635
EBIT/kg NOK	15,4	15,7
Total assets	6 427 538	5 832 631
Net interest-bearing debt (3)	1 175 747	1 491 867
Equity	3 146 271	2 397 715
Equity % (6)	49 %	41 %
NIBD/EBITDA (4)	1,0	3,9
ROCE (5)	14 %	24 %
Earnings per share	-0,61	1,62

1) The calculation is based on EBITDA before fair value adjustment.

2) EBIT operational is EBIT before fair value adjustment.

3) NIBD is conducted relative to covenants requirements for bank. See note 4 for information about total NIBD.

4) NIBD / EBITDA is calculated in accordance with the covenants. 12 months rolling EBITDA before fair value adjustment.

5) ROCE: Return an average capital employed based on OP +CS EBIT excluding fair value adjustment/ average OP +CS NIBD +average OP Equity +CS Equity excl. fair value adjustment.

6) Equity ratio including Ocean Quality consolidation is 47%. Equity ratio excluding Ocean Quality (non-controlling interests) is 54%.

First Quarter Results 2017

EBIT for the Group before fair value adjustment of biomass was MNOK 131 in Q1 2017, against MNOK 214 in 2016. The harvest volume in Q1 2017 was 8 552 tons, against 13 635 tons in the corresponding period last year, reflecting a reduction of 37%. The low harvest volume was planned in order to maximise the level of biomass in the sea in order to achieve higher growth.

Regionally, GSF's results for Q1 2017 were as follows:

	EBIT (MNOK)	Harvest volume	EBIT kg
Rogaland	122,9	4 393	28,0
Finnmark	15,3	1 632	9,4
BC	17,4	1 235	14,1
Shetland	-14,4	1 293	-11,2
ASA/elimination	-18,1	-	-
GSF EBIT	123,1	8 552	14,4
Non-controlling interests	8,4	8 552	1,0
GSF Group	131,5	8 552	15,4

EBIT from the four regions includes value creation from sales/Ocean Quality (OQ), while OQ's value creation relating to fish from Bremnes (which owns 40% of OQ) appears in the item designated IKE in the above table.

The pre-tax accounts for Q1 show a loss of MNOK 69 against a profit of MNOK 252 in last year's first quarter. The negative result must be seen in the light of the fair value adjustment of biomass to take account of the decline in salmon prices from Q4 2016 to Q1 2017.

Group operating income in Q1 2017 totalled MNOK 1 422, reflecting a 12% change compared with the same period in 2016. The increase was due to higher prices and some increase in volume from Bremnes (external fish) compared with Q1 2016.

The results for Q1 2017 reflect a reduction in the harvest volume in all regions apart from Rogaland. This has meant that fixed costs are divided over a smaller volume, thereby increasing costs per kilo.

Following a decline in salmon prices in the first weeks of 2017 the market has been relatively stable. GSF can report that demand for its salmon is good at the present price level.

In Norway, the proportion of salmon sold on fixed price contracts stood at 55% in Q1 2017 and this proportion is expected to be around 17% in Q2 2017. The decline in the proportion of fixed price contracts is partly explained by an increase in the harvest volume in Q2. The fixed price proportion for 2017 as a whole stands at 21%, and some increase in this figure is planned.

Rogaland

MNOK	1Q 2017	1Q 2016
Sales revenue	291,9	226,0
EBITDA	131,6	80,9
EBIT	122,9	72,9
Harvest (tons gw)	4 393	3 776
EBIT/kg	28,0	19,2

In Rogaland, EBIT before fair value adjustment of biomass was NOK 28.0 per kilo in Q1, against NOK 19.2 per kilo in the same period in 2016, while the harvest volume in Q1 was 4 393 tons, against 3 776 tons in Q1 2016.

Costs in the region have been stable during the last few quarters.

In Q2 2017 harvesting is planned from locations with somewhat higher costs.

Sea production was at a good level throughout Q1. Steps are in hand to increase mechanical delousing capacity. This work is expected to be completed in the course of Q2.

Finnmark

MNOK	1Q 2017	1Q 2016
Sales revenue	97,6	331,6
EBITDA	33,4	139,5
EBIT	15,3	124,6
Harvest (tons gw)	1 632	6 296
EBIT/kg	9,4	19,8

In Finnmark, EBIT before fair value adjustment of biomass was NOK 9.4 per kilo in Q1, against the corresponding figure of NOK 19.8 per kilo in 2016. The harvest volume in Q1 was 1 632 tons, compared with 6 296 tons in the corresponding period last year.

Costs in the region in Q1 show an increase on the preceding quarter and should be considered in the light of the low harvest volume.

No harvesting was carried out in the region in the first weeks of Q1 2017 when prices were at their highest. This resulted in somewhat lower realised prices which in turn impacted negatively on EBIT per kilo. The planned stoppage in harvesting in was aimed at achieving increased growth of biomass in the sea.

The harvest volume in Q2 will be higher and costs per kilo will therefore be lower in this period.

Towards the end of Q4 2016 an outbreak of ILA was discovered in a location in Hammerfest and all the fish in this location were harvested early in Q1 2017. The book loss resulting from occurrence was charged in 2016. No new outbreaks of ILA have been detected in the region and sea production was stable throughout Q1.

BC – Canada

MNOK	1Q 2017	1Q 2016
Sales revenue	78,5	67,6
EBITDA	24,1	4,8
EBIT	17,4	-0,7
Harvest (tons gw)	1 235	1 324
EBIT/kg	14,1	-0,6

In BC, EBIT before fair value adjustment of biomass was NOK 14.1 per kilo in Q1 2017, against NOK -0.6 per kilo in the corresponding period in 2016, while the harvest volume was 1 235 tons, against 1 324 tons in the corresponding period last year.

BC has had to deal with challenges presented by algae in 2016, and this is reflected in the level of costs at the start of 2017. The weak biological situation has also reduced the quality of the fish which has resulted in lower realised prices.

The above-mentioned fish were harvested straight at the start of Q2. Thereafter, harvesting was started from locations with a better biological situation. It is therefore expected that costs in Q2 2017 will be down on the previous quarter.

Sea production was at a good level throughout Q1.

Smolt production was also stable in BC in Q1.

Shetland

MNOK	1Q 2017	1Q 2016
Sales revenue	82,1	131,3
EBITDA	-2,4	15,1
EBIT	-14,4	6,9
Harvest (tons gw)	1 293	2 240
EBIT/kg	-11,2	3,1

In Shetland, EBIT before fair value adjustment of biomass was NOK -11.2 per kilo in Q1, against NOK 3.1 per kilo in the first quarter of 2016, while the harvest volume was 1 293 tons, against 2 240 tons in Q1 2016.

As previously reported, fish in Shetland were harvested from locations with a high cost in Q1. It is planned that several of these locations will be temporarily laid fallow when the new 18-month production cycle is implemented.

Only a small quantity of fish was harvested from this region in Q1, and as a result the fixed harvesting costs were divided over a low volume. In addition, some mortality has arisen due to delousing treatment of the generation to be harvested in Q2/Q3. Write-downs in this connection have also increased costs in Q1.

The first harvesting of fish under the new production plan is due to start in Q2 2017. This is expected to reduce costs, but the new production model will not be fully operational until Q3.

Sea production in Shetland was stable throughout Q1 2017. Steps are also being taken in Shetland to increase mechanical delousing capacity. This process should be fully operational just after end of Q1.

Ocean Quality Group

All fish from GSF is sold by Ocean Quality. The aim of this sales organisation is to establish a positive margin in relation to the market price for salmon, and this was achieved in Q1 2017.

Cash flow and financial situation

The Grieg Seafood Group had a net cash flow of MNOK 35 from operations in Q1 2017 (MNOK 109 in Q1 2016). During the same period investments in fixed assets amounted to MNOK 116 (MNOK 29 in Q1 2016).

At the end of Q1 2017 the equity ratio stood at 49%, against 41% at the end of Q1 2016. At the end of Q1 the Group had a good level of free liquidity and unutilised credit facilities. Net interest-bearing debt, excluding factoring debt, totalled MNOK 1 176 at the end of the period, against MNOK 1 492 at the close of Q1 2016.

The Group's aim is to provide a competitive return on capital investment to the shareholders in the

form of payment of a dividend and appreciation of the share price. The Board believes it is natural that the dividend, on average, over a period of several years should correspond to 25-35% of the company's profit after tax and adjusted for the effect of biomass adjustments. In relation to the accounts for 2016 the Board recommends a dividend payment of NOK 3 per share. A good cash flow and a strengthened balance sheet throughout 2016 are important factors for the Board's recommendation.

The Board will therefore ask the AGM to maintain its authorisation to the Board in 2016 whereby it can pay a further dividend.

Measures to boost production and reduce costs

A stated goal is to reduce GSF's cost level to the industry average, or lower. The company will also be aiming to increase production by 10% annually in the period 2018-2020.

GSF has an ongoing focus on improving operating efficiency, and this involves both increasing production per plant and per licence, as well as reducing costs per kilo. One of the key steps being taken is to set out bigger smolt which will make it possible to shorten the production time in the sea. An increase in the number of smolt is also decisive to achieve growth and lower costs.

The company is therefore planning to increase the amount of smolt set out in 2017 compared with 2016. So far this year the steps taken are in accordance with the plan.

There is also a focus on improving the survival rate and wellbeing of the fish.

Rogaland

Work on extending the smolt plant in Rogaland is progressing as planned. Plant construction work is expected to be completed by Q3 2017 when the annual production capacity will increase from 500 to 1 300 tons. The extension plans involve a total investment of MNOK 120 (of which investments totalling MNOK 110 will be made in 2017).

Finnmark

The effects of steps being taken in relation to smolt in this region are now being felt. The quantity of smolt set out is being increased. This will provide a sound basis for growth and lower costs per kilo in the coming years.

Active steps are being taken to establish new locations and to extend existing locations in Finnmark. This important in order to increase the flexibility of biological planning.

In order to ensure the supply of smolt (amount, size, quality) it has been decided to increase the capacity of the smolt plant in Finnmark. This involves a total investment of MNOK 175. The extension is expected to be completed in the second half of 2018, thereby increasing the annual production capacity from 800 to 1 600 tons. So far, the project is progressing as planned.

BC

Reliable access to smolt is of vital importance to BC. Steps are therefore in hand to improve and the current plant and at the same time consider the possibility of building a new plant. Further steps have also been taken to safeguard the water intake to the existing plant and following these initiatives there have been no cases of furunculosis. There is also a focus on finding an appropriate location for a new plant.

Greater fish feed efficiency is an important matter for the new management in BC. Work is also in

hand to deal with the challenges presented by algae and low oxygen levels.

The process of installing rings to replace steel plants has also been completed in this region.

The above-mentioned improvement projects related to the sea plants are progressing as planned.

Shetland

In Shetland, the production cycle is being changed from 24 to 18 months. This will make it possible to utilise the good locations more effectively. Less productive locations will be laid fallow temporarily. Implementation of these changes is progressing as planned.

Work is also in hand to reduce the biological risk related to algae. In this connection, the monitoring and analysis of the algae situation are important factors.

Outlook

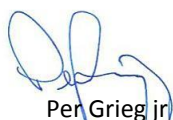
In a global perspective, there are expectations of limited supply-side growth in the salmon market. There is strong underlying demand for salmon and good prices are therefore expected in 2017.

The harvest volume in Q2 2017 is expected to be 18 000 tons. For 2017 as a whole the figure is expected to be 70 000 tons, 8% up on 2016.

For further information please refer to www.griegseafood.com.

Bergen, 12 May 2017

The Board of Directors of Grieg Seafood ASA


Per Grieg jr.
Chair


Asbjørn Reinkind
Vice Chair


Karin Bing Orland
Board Member


Ola Braanaas
Board Member


Wenche Kjøllås
Board Member


Andreas Kvame
CEO

Income Statement

All figures in NOK 1 000

	1Q 2017	1Q 2016
Sales revenues	1 422 137	1 266 245
Other operating income	-1 066	33 151
Operating income	1 421 071	1 299 397
Share of profit from ass. companies	0	-275
Raw materials and consumables used	-793 420	-715 211
Salaries and personnel expenses	-118 530	-123 024
Other operating expenses	-330 721	-208 542
EBITDA before fair value adjustment	178 399	252 345
Depreciation and amortisation of tangible assets	-45 778	-42 968
Amortisation of intangible assets	-1 129	-1 218
Reversing of impairments of tangible and intangible assets	0	6 223
EBIT before fair value adjustment	131 492	214 382
Value adjustment related to biological assets	-196 209	79 497
EBIT (Operating profit)	-64 717	293 879
Share of profit from ass. companies	0	12 083
Net financial item	-4 538	-53 761
Profit before tax	-69 255	252 201
Estimated taxation	9 159	-61 301
Profit after tax	-60 096	190 900
Attributable to:		
Profit attributable to non-controlling interest	7 147	11 612
Profit attributable to owners of Grieg Seafood ASA	-67 243	179 287
Dividende declared and paid per share NOK	-	-
Earnings per share NOK	-0,61	1,62

Statement of Comprehensive Income

All figures in NOK 1 000

Statement of Comprehensive Income	1 Q 2017	1 Q 2016
Profit for the period	-60 096	190 900
Other comprehensive income:		
<i>Items to be reclassified to profit or loss in subsequent periods:</i>		
Currency translation differences, subsidiaries	2 214	1 335
Currency effect of net investments	4 627	-42 707
Tax effect of net investments	-1 110	10 677
Changes in fair value of cash flow hedges	-7 434	0
Income tax effect fair value of cash flow hedges	1 120	0
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>		
Total recognised income for the period	-583	-30 695
Total comprehensive income for the period	-60 679	160 205
<i>Attributable to:</i>		
Profit attributable to non-controlling interests	3 588	11 612
Profit attributable to owners of Grieg Seafood ASA	-64 267	148 592

Balance Sheet

All figures in NOK 1 000

ASSETS	31.03.2017	31.03.2016
Goodw ill	108 688	109 669
Licenses	1 062 179	1 076 927
Other intangible assets	16 983	17 577
Deferred taxes	1 557	1 101
Property, plant and equipment	1 584 364	1 477 482
Investments in associatated company	0	14 748
Other current receivables	8 925	4 092
Total non-current assets	2 782 698	2 701 596
Inventories	64 901	56 658
Biological assets	1 873 367	1 599 706
Fair value biological assets	644 591	385 796
Accounts receivable	670 657	532 079
Other current receivables	166 389	178 358
Derivates and other financial instruments	0	9 532
Cash and cash equivalents	224 936	368 906
Total current assets	3 644 841	3 131 035
Total assets	6 427 538	5 832 631

EQUITY AND LIABILITIES	31.03.2017	31.03.2016
Share capital	446 648	446 648
Treasury Shares	-5 000	-5 000
Retained earnings and other equity	2 644 767	1 914 106
Shareholders of GSF	3 086 415	2 355 754
Non-controlling interests	59 856	41 961
Total equity	3 146 271	2 397 715
Deferred tax liabilities	664 339	578 877
Other obligations	11 549	9 351
Subordinated loans	15 858	19 090
Borrow ings and leasing	1 191 600	1 702 164
Total non-current liabilities	1 883 347	2 309 482
Short-term loan facilities	164 672	156 767
Factoring debt	362 822	319 345
Accounts payable	462 804	431 918
Tax payable	165 745	18 205
Derivates and other financial instruments	29 540	19 115
Other current liabilities	212 337	180 084
Total current liabilities	1 397 921	1 125 434
Total liabilities	3 281 268	3 434 915
Total equity and liabilities	6 427 538	5 832 631

Changes in equity

All figures in NOK 1 000

Changes in equity All figures in NOK 1 000	Q1 2017	
	KE *	IKE **
Equity period start	3 150 681	56 270
Profit for the period	-67 243	7 147
Comprehensive income for the period	2 976	-3 559
Total recognised income for the period	-64 267	3 588
Pay dividends	0	0
Dividends to non-controlling interest	0	0
Total equity from shareholders in the period	0	0
Total change of equity in the period	-64 267	3 588
Equity at period end	3 086 415	59 856

*) Shareholder of GSF ASA

**) Non-controlling interest

Cash Flow Statement

All figures in NOK 1 000

	1 Q 2017	1 Q 2016
EBIT after fair value adjustment	-64 717	293 879
Taxes paid	-6 863	-6 760
Adjustment for fair value	196 209	-79 497
Adjustment for depreciation and impairment	46 907	37 957
Adjustment for income/loss from associated and joint venture companies	0	275
Change in inventory, trade payables and trade receivables	-117 904	-152 675
Gain-/loss on sale of property, plant and equipment	15	0
Other adjustments	-19 035	16 026
Cash flow from operations	34 612	109 205
Capital expenditure (fixed assets)	-116 282	-29 494
Proceeds from sale of fixed assets	146	6 345
Proceeds from sale of shares	0	24 000
Change in other non-current receivables	-3 313	0
Cash flow from investments	-119 449	851
Net changes in interest-bearing debt incl. factoring	-181 084	-106 128
Net interest and financial items	-12 932	-26 805
Cash flow from financing	-194 016	-132 933
Changes in cash and cash equivalents in the period	-278 853	-22 877
Cash and cash equivalents - opening balance	503 613	392 020
Currency effect on cash - opening balance	176	-237
Cash and cash equivalents - closing balance	224 936	368 906

Selected notes to the first quarter accounts

Note 1 – Accounting principles

Grieg Seafood ASA (the Group) comprises Grieg Seafood ASA and its subsidiaries, and includes the Group's share of the accounting results of associated companies.

The accounts for the first quarter have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as approved by the EU, including IAS 34 – Interim Financial Reporting. The quarterly

report does not contain all of the information required for a complete annual report, and it should therefore be read in conjunction with the last annual report for the Group (2016). The quarterly report is unaudited. The same accounting principles and methods of calculation which were used with respect to the last annual report (2016) have also been used in the preparation of the first quarter report. There have been no new standards in the first quarter requiring implementation.

Note 2 – Segment information

The operating segments are geographically divided by country and region and are identified on the basis of the reporting method used by the Group management (the most senior decision-makers) when they assess performance and profitability at strategic level.

Earnings from the sales company Ocean Quality AS Group (OQ) are reported for each producer. The minority share is reported along with the owner cost as an elimination. OQ consists of the companies in Norway, UK and NA (North America). OQ UK and OQ NA are wholly owned by OQ Norway. GSF owns 60% of OQ Norway. OQ sells all of the fish produced by GSF.

The results from the segments are based on the adjusted operating result (EBIT), before fair value adjustment. This excludes the effect of one-time costs, such as restructuring costs and amortisation of goodwill. This method of measurement also excludes the effect of share options, as well as

unrealised gains and losses on financial instruments.

The column "Other items/eliminations" contains the results of activities carried out by the parent company and other non-production-gear or sales companies of the Group, as well as eliminations of the share of EBIT to minority interests in OQ.

Main items in the elimination column are as follows:

EBIT in eliminations/other items can be split between:

	Q1 2017
Shareholder cost	-18 119
EBIT attributable to non-controlling interest	8 439
EBIT elim/other item	-9 680

1 Q 2017	Rogaland		Finnmark		BC - Canada		Shetland - UK		Elim. / other (2)		Group	
	1 Q 2017	1 Q 2016	1 Q 2017	1 Q 2016	1 Q 2017	1 Q 2016	1 Q 2017	1 Q 2016	1 Q 2017	1 Q 2016	1 Q 2017	1 Q 2016
Revenues (TNOK)	291 903	226 045	97 600	331 609	78 546	67 644	82 101	131 333	871 989	509 614	1 422 137	1 266 245
Other income (TNOK)	427	53	47	-23	-41	3 774	3 361	805	-4 861	28 543	-1 066	33 151
EBITDA (MNOK) (1)	131 553	80 877	33 433	139 543	24 146	4 768	-2 357	15 063	-8 376	12 093	178 399	252 345
EBIT (TNOK) (1)	122 887	72 932	15 287	124 566	17 418	-742	-14 420	6 931	-9 680	10 695	131 492	214 382
		0		0								
EBITDA %	45,0 %	35,8 %	34,2 %	42,1 %	30,8 %	6,7 %	-2,8 %	11,4 %			12,6 %	19,4 %
EBIT % (1)	42,0 %	32,3 %	15,7 %	37,6 %	22,2 %	-1,0 %	-16,9 %	5,2 %			9,3 %	16,5 %
EBIT/KG GWT (1)	28,0	19,32	9,4	19,8	14,1	-0,6	-11,2	3,1			15,4	15,7
Harvest in tons, GWT	4 393	3 776	1 632	6 296	1 235	1 324	1 293	2 240			8 552	13 635

1) EBIT before fair value adjustment

2) Other elimination is including bonus and share of profit from OQ to the producer.

Adjusted operating EBIT for reportable segments

All figures in NOK 1 000

	1 Q 2017	1 Q 2016
EBIT before fair value adjustment	131 492	214 382
Value adjustment related to biological assets	-196 209	79 497
EBIT (operating profit)	-64 717	293 879
Income from associated companies	0	12 083
Total income from associated companies	0	12 083
Net financial item:		
Changes in fair value from hedging instruments	3 037	-545
Net financial interest	-11 050	-23 917
Net currency gain (losses)	3 300	-28 600
Net other financial expenses /-income	175	-699
Net financial item	-4 538	-53 761
Profit before tax	-69 255	252 201
Estimated taxation	9 159	-61 301
Net profit in the period	-60 096	190 900

Note 3 – Biological assets

The accounting treatment of living fish by companies which apply IFRS is regulated by IAS 41, Agriculture. The best estimate of the fair value of fish weighing less than 1 kilo is considered to be the accumulated cost, while fish between 1 kilo and 4 kilos include a proportionate share of the expected profit. The fair value of fish in excess of 4 kilos (ready for harvesting) is set at the net sale price calculated on the assumption that the fish

are harvested/sold on the balance sheet date. If the expected net sale price is less than the

expected cost, this will entail a negative adjustment of the value of biological assets, and in such case this is 100%. The sale prices are 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 sale price is adjusted for quality differences, together with weight and cost of logistics. The volume is adjusted for gutting loss since the sale price is measured for gutted weight.

Biological assets	Tons		NOK 1.000	
	1Q 2017	Q1 2016	1Q 2017	Q1 2016
Biological assets - beginning of period	45 627	48 090	2 459 625	1 929 115
Currency translation	0	0	2 419	-37 398
Increases due to purchases	0	0	192 599	0
Increases due to production	14 993	14 531	445 431	481 257
Decreases due to sales / harvesting/mortality	-10 161	0	-401 396	0
Fair value adjustment beginning of period	N/A	N/A	-824 487	-313 717
Fair value adjustment period end	N/A	N/A	643 768	385 796
Biological assets - period end	50 458	46 191	2 517 958	1 985 502

All figures in NOK 1,000

	1Q 2017	1Q 2016
Recognised fair value adjustment:		
Change in fair value adjustment of biological assets	(181 017)	79 497
Change in physical supply contracts related to fair value adjustment of biological assets	32 638	-
Change in fair value of financial derivatives from salmon (Fish Pool contracts)	(47 830)	-
Total recognised fair value adjustment of biological assets	(196 209)	79 497

Balance:

Provisions allocated to physical future contracts that require actual value adjustment, is recorded as other other current liabilities in the balance sheet.

The contracts are calculated on basis of the same forward prices that apply to fair value calculation of biological assets.

Provisions allocated to physical contracts covering fish under 4 kg (immature), are recognised as a proportionate share corresponding to the principle of fair value calculation of biological assets. Value adjustment of financial derivatives from salmon is recorded in the balance sheet as derivatives and other financial instruments. Financial derivatives are valued at market value.

	Number of fish (1.000)	Biomass (tons)	Cost of production	Fair value adjustment	Carrying amount
Biological assets - status 31.03.2017					
Smolt /brood/small fish 0-1 kg	40 143	6 754	497 875	0	497 875
Biological assets w ith round w eight < 1- 4 kg	9 944	24 348	788 301	299 900	1 088 201
Biological assets w ith round w eight > 4 kg	4 159	19 356	587 190	344 691	931 881
Total	54 246	50 458	1 873 367	644 591	2 517 958

	Number of fish (1.000)	Biomass (tons)	Cost of production	Fair value adjustment	Carrying amount
Biological assets - status 31.03.2016					
Smolt /brood/small fish 0-1 kg	36 040	5 758	423 391	0	423 391
Biological assets w ith round w eight < 1- 4 kg	10 755	23 532	730 543	142 932	873 475
Biological assets w ith round w eight > 4 kg	3 457	16 901	445 771	242 864	688 635
Total	50 253	46 191	1 599 706	385 796	1 985 502

Note 4 – Total net-interest bearing debt (NIBD) /factoring

Net-Interest bearing debt is conducted according to covenants conditions. According to financial agreement is factoring debt and part of cash to non-controlling interests not included in NIBD.

Ocean Quality AS in Norway and the UK has a factoring agreement which means financing of outstanding accounts, and where all significant risks and control of customer receivables continue to be the responsibility of OQ.

Prepayments/financing received from factoring are posted as net interest-bearing debt. Factoring is posted under financing in the balance sheet. In according with the covenants, share of bank belongs to non-controlling interests (Bremnes) is not included. The total interest-bearing debt including factoring and the share of bank to non-controlling interests is as follows:

	31.03.2017	31.03.2016
Net interest-bearing debt GSF accordance with the covenants	1 175 747	1 491 867
Factoring debt (OQ)	362 822	319 345
Non-controlling interests share of cash (Bremnes)	-47 723	-487
Net interest-bearing debt	1 490 845	1 810 725

Note 5 – Related parties

The Group has transactions with companies which are controlled by Grieg Seafood ASA's majority owner, Grieg Holdings AS. Grieg Seafood ASA rents its offices from Grieg Gaarden AS. Grieg Holding AS is a shareholder of Ryfylke Rensefisk AS from which GSF buys lumpfish. Grieg Seafood ASA buys roe from SalmoBreed AS, which is a related part in relation to a Board member. All services and the rental relationship are on an arm's length basis. OQ

AS purchases fish from its shareholder, Bremnes Fryseri AS, which it then sells to its domestic and international customers. Bremnes Fryseri supplies the fish from its subsidiary Bremnes Seashore AS. OQ AS rents office premises and office equipment from Bremnes Fryseri AS. All sales of goods and services are on an arm's length basis.

Shares controlled by board members and management per 31.03.2017

	No. shares	Shareholding
Board of directors:		
Per Grieg jr. *)	58 961 996	52,80 %
Wenche Kjølås (Jaw endel AS)	7 000	0,006 %
Asbjørn Reinkind (Reinkind AS)	120 000	0,107 %
Karin Bing Orgland	0	0,00 %
Ola Braanaas	0	0,00 %
Management:		
Atle Harald Sandtorv (CFO)	21 793	0,02 %
Andreas Kvame (CEO)	35 000	0,03 %
Knut Utheim (COO)	18 200	0,02 %
Kathleen Mathisen (CHRO)	0	0,00 %
Grant Cumming (Regional Director)	0	0,00 %
Roy-Tore Rikardsen (Regional Director)	13 100	0,01 %
Alexander Knudsen (Regional Director)	20 000	0,02 %
Rocky Boschman (Regional Director)	0	0,00 %
Total shares controlled by board members and management	59 197 089	53,01 %
* Shares owned by the following companies are controlled by Per Grieg jr. and closely related(Verdipapirhandelloven § 2-5):		
Grieg Holdings AS	55 801 409	49,97 %
Grieg Shipping II AS	0	0,00 %
Ystholmen AS	2 928 197	2,62 %
Grieg Ltd AS	217 390	0,19 %
Kvasshøgdi AS	0	0,00 %
Per Grieg jr. private	15 000	0,01 %
Total no. shares controlled by Per Grieg jr. and closely related	58 961 996	52,80 %

Note 6 - Share capital and shareholders as at 31 March 2017

Share capital:

31.03. 2017, the company has 111 662 000 shares at a nominal value of NOK 4 per share. The company purchased in June 2011 1 250 000 own shares at rate 14.40 NOK per share.

Date of registration	Type of change	Change in share capital (TNOK)	Nominal value per share (NOK)	Total share capital (TNOK)	No. of ordinary shares
31.03.2017			4,00	446 648	111 662 000
	Holdings of own shares		4,00	-5 000	-1 250 000
Total ordinary shares				441 648	110 412 000

The largest shareholders in Grieg Seafood ASA as of 31.03.2017 were:

	No. shares	Shareholding
GRIEG HOLDINGS AS	55 801 409	49,97 %
OM HOLDING AS	3 350 000	3,00 %
YSTHOLMEN AS	2 928 197	2,62 %
FOLKETRYGDFONDET	2 905 000	2,60 %
VERDIPAPIRFONDET PARETO INVESTMENT	1 960 952	1,76 %
EUROCLEAR BANK S.A./N.V	1 581 439	1,42 %
STATE STREET BANK AND TRUST COMP	1 338 980	1,20 %
GRIEG SEAFOOD ASA	1 250 000	1,12 %
ARTIC FUNDS PLC	1 197 000	1,07 %
STATE STREET BANK AND TRUST COMP	1 162 513	1,04 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	1 061 273	0,95 %
VERDIPAPIRFONDET PARETO NORDIC	976 000	0,87 %
J.P.MORGAN BANK LUXEMBOURG S.A.	925 989	0,83 %
MORGAN STANLEY & CO.INT.PL.C.	886 053	0,79 %
CLEARSTREAM BANKING S.A.	881 340	0,79 %
THE NORTHERN TRUST COMP, LONDON BR	787 211	0,70 %
JPMORGAN FUND ICVC B/O 97019	694 820	0,62 %
UBS SWITZERLAND AG	639 520	0,57 %
JPMORGAN CHASE BANK, N.A., LONDON	623 768	0,56 %
JPMORGAN CHASE BANK, N.A., LONDON	535 291	0,48 %
Total 20 largest shareholders	81 486 755	72,98 %
Total other	30 175 245	27,02 %
Total numbers of shares	111 662 000	100,00 %

Alternative performance measures (APM)

Grieg Seafood Group applies APMs (alternative performance measures) to demonstrate corporate achievements in the most relevant and informative way possible to our users. APMs listed below have been applied consistently over time, with one exception: Calculation of net interest bearing debt excl. factoring. Starting with Q1 reporting in 2016, figures showing Bremnes Fryseri AS' share of bank in Ocean Quality AS, as well as factoring, are omitted.

The performance measure is used to calculate NIBD/EBITDA share, which represents one of the covenants required by the bank syndicate, where Ocean Quality AS is not consolidated into the calculation. The revised method of Q1 2016 will apply to future calculations of NIBD/EBITDA shares under the loan terms.

No.	Alternative performance measures (APM)	Definition and calculation	Reason for applying APM
1	EBIT	Unless otherwise specified, EBIT (earnings incl. amortisation and depreciation) is prior to fair value adjustment. This applies to all key figures where EBIT is a component, including: EBIT/ kg (NOK) EBIT/ kg GWE	EBIT before fair value adjustment provides a more informative result as it does not take into account future gains or losses on fish not yet sold at the point of fair value adjustment. In addition, it provides an industry measure.
2	EBIT before fair value adjustment of biological assets	Operating profit incl. amortisation and depreciation, excl. fair value adjustment of biological assets.	This is the mandatory financial measure according to standard.
3	EBITDA before fair value adjustment of biological assets	Unless otherwise specified, EBITDA (operating profit) is calculated before fair value adjustment of biological assets. This applies to all key figures where EBITDA is a component, including: EBITDA (%) EBITDA margin EBITDA margin – terminal value NIBD/EBITDA	EBITDA before fair value adjustment provides a more informative result as it does not take into account future gains or losses on fish not yet sold at the balance sheet date, contrary to fair value adjustment. In addition, it provides an industry measure.
4	Equity ratio excluding Ocean Quality	Equity ratio is calculated both with and without Ocean Quality, due to bank syndicate equity demands exclusive of the consolidated Ocean Quality. Equity ratio excl. Ocean Quality is solely considering Grieg Seafood companies, pertaining to both equity and total liability.	Applied to measure the company's solidity, according to the Group's covenant requirements.
5	NIBD/EBITDA	Net interest bearing debt (NIBD) comprises long-term and current debt to financial institutions, after deducting cash and cash equivalents. NIBD is calculated in two ways: 1) Including all long-term and current debt to credit institutions 2) According to covenants required by the bank syndicate. When calculating NIBD according to covenants the factoring debt is not included. Furthermore, cash and cash equivalents are reduced with an amount corresponding to Bremnes Fryseri AS' share of OQ AS' bank deposits. For both versions, EBITDA is before fair value adjustments of biological assets.	
6	ROCE	Corresponds to return on capital employed before fair value adjustment of biological assets. Denominator is NIBD excluding Ocean Quality. Calculation: $ROCE = (EBIT) / (\text{annual average NIBD} + \text{annual average equity excluding fair value adjustment of biological assets})$	We extract a share of OQ from interest bearing debt, as it is not interest bearing debt according to covenant definitions. Fair value adjustment of biological assets is extracted as this is a highly volatile variable. The company has limited influence on price, which is an important factor in the calculation.
7	EPS	EPS (Earnings per share) = (net profit after taxes minus shares of non-controlling interests) / number of shares	Measurement figure in relation to financial standard.

Information about Grieg Seafood ASA

Head Office - Grieg Seafood ASA

Postal address:	P.O. Box 234 Sentrum, NO-5804 Bergen
Office address:	Grieg-Gaarden, C. Sundts gt. 17/19, NO-5004 Bergen
Tel.:	+47 55 57 66 00
Internet:	www.griegseafood.com
Organisation number:	NO 946 598 038 MVA

Board of Directors of Grieg Seafood ASA

Per Grieg jr	Chair
Asbjørn Reinkind	Vice Chair
Wenche Kjøllås	Board Member
Karin Bing Orgland	Board Member
Ola Braanaas	Board Member

Group Management

Andreas Kvame	CEO
Atle Harald Sandtorv	CFO
Knut Utheim	COO
Kathleen O. Mathisen	CHRO

Financial Calendar

First Quarter 2017	12 May 2017
Annual General Meeting	7 June 2017
Second Quarter 2017	24 August 2017
Third Quarter 2017	8 November 2017
Fourth Quarter 2017	15 February 2018

The company reserves the right to amend the above dates.

Cover photo: Paul Nilsen