



**Grieg**  
Seafood®

Q4  
2011



## **Grieg Seafood ASA Fourth Quarter & Preliminary Results for 2011**

### **Highlights – Fourth Quarter 2011**

- Continued high supply growth reduced salmon prices in all markets in Q4 2011.
- EBIT before fair value adjustment of biomass was NOK -38.2m in 2011, including one-off items and write-downs in Finnmark and BC with in total NOK 33.2m in the quarter.
- Reduced cost of fish harvested in several regions, compared with Q3 2011.
- Good sales performance and earnings from the Norwegian sales company Ocean Quality in a demanding market.
- New funding of minimum NOK 400m being established. Final approval pending in one of the syndicate banks.
- Higher than normal seawater temperatures, combined with good biological development resulted in somewhat better seawater production than expected.

### **Highlights - Year 2011**

- A strong market characterised by reduced supply in the first half-year was replaced by strong supply growth and low prices in the second half-year.
- Acquisition of the remaining 51.3% of Erfjord Stamfisk AS and two licences in Shetland in the first half of 2011.
- EBIT before fair value adjustment of biomass was NOK 205.6m in 2011, a reduction from NOK 639.8m in 2010. 2010 included positive one-off items of NOK 72.4m.
- Good biological development and seawater production in Norway and Canada.
- Significantly improved sales performance in Norway in the second half of 2011 after establishment of the new Norwegian sales company Ocean Quality.
- Significant investment programme in a.o. smolt production to reduce future production costs.

The record-high supply growth continued into the fourth quarter of the year, further strengthened by good production conditions and high seawater temperatures. The lower salmon prices have started to be reflected in prices to the consumers, which contributed to good growth in demand in most markets, although the price reduction has still not been fully reflected in the end-user market.

The biological situation and the seawater production were good in all regions in the fourth quarter. Both of the Norwegian regions, as well as Canada, showed a clear improvement in seawater production in 2011, while Shetland was affected by a weak generation that was harvested in the first half-year, in addition to predator challenges which impacted negatively on seawater production.

The Q4 results in Finnmark were charged with one-off costs of NOK 19.0m related to write-downs of biomass in two locations which had previously been affected by biological challenges, as well as write-downs of NOK 14.1m in BC related to an outbreak of furunculosis in the hatchery in Canada, reorganization of brood stock production and a write-down on frozen fish inventory. In all regions, the cost of fish harvested in the fourth quarter was lower than in the preceding quarter.

In the fourth quarter, Group EBIT before fair value adjustment of biomass fell from NOK 246.9m in 2010 to NOK -38.2m in 2011. The 2010 result included a positive one-off effect of NOK 72m related to reversal of previous write-down of goodwill in Finnmark. The Q4 2011 result includes write-downs and one-off items of in total NOK 33.2m. The corresponding figure for the year as a whole, was NOK 205.6m in 2011, against NOK 639.8m in 2010. The decline in EBIT was due to the sharp drop in prices in the second half of 2011.

The cash flow from operations in the fourth quarter was NOK -139.6m, and NOK 215.4m for the year as a whole. The equity ratio stood at 40.5% at year-end, while net interest-bearing debt stood at NOK 1 443.7m.

Two acquisitions were carried out in Scotland in 2011 for a total of NOK 39.5m which will increase the annual harvested volume by 3 000 tons. In addition, the remaining 51.3% of Erfjord Stamfisk AS in Norway was purchased at the start of 2011.

## Financial and Operational Development

### Financial Key Figures – Fourth Quarter 2011

|   | Rogaland (2) | Finnmark | BC - Canada | Shetland- UK | Other | Group  |
|---|--------------|----------|-------------|--------------|-------|--------|
| Sales revenue (MNOK)                              | 114,3        | 137,0    | 118,0       | 135,3        | 15,0  | 519,6  |
| EBITDA (MNOK)                                     | 14,5         | -20,2    | 2,2         | 6,0          | -2,1  | 0,4    |
| EBIT before fair value adj. <sup>(1)</sup> (MNOK) | 5,3          | -31,8    | -5,0        | -5,9         | -0,8  | -38,2  |
| Harvest in tons, gwt                              | 4 082        | 5 728    | 3 970       | 4 478        |       | 18 258 |
| EBIT before fair value adj. <sup>(1)</sup> NOK/kg | 1,29         | -5,55    | -1,27       | -1,31        |       | -2,09  |

1) The calculation is based on EBIT before fair value adjustment of biological assets and before reversal previous write-down of intangible assets

2) Erfjord Stamfisk AS is included as a subsidiary from 2011

Group sales in the fourth quarter totalled NOK 515.1m, a decline of 28.7% compared with the same period in 2010. Volume growth stood at 1.5%, while price growth was negative at 30.3%, compared with the fourth quarter of 2010.

EBIT before fair value adjustment of biomass fell from NOK 246.9m in the fourth quarter of 2010 to NOK -38.2m in the same period in 2011, driven by a sharp drop in prices. Underlying operations developed positively in all regions in the fourth quarter compared with the preceding quarter, and the cost of fish harvested was reduced in all regions.

Sales in the fourth quarter of 2011 were largely at spot prices after two contract counterparts to financial hedging contracts went into liquidation, as advised previously.

## Financial Key Figures – 2011

|   | Rogaland (2) | Finnmark | BC - Canada | Shetland - UK | Other | Group   |
|---|--------------|----------|-------------|---------------|-------|---------|
| Sales revenue (MNOK)                              | 547,7        | 499,9    | 491,3       | 511,9         | 12,9  | 2 063,8 |
| EBITDA (MNOK)                                     | 137,8        | 89,4     | 63,8        | 50,5          | 4,4   | 345,8   |
| EBIT before fair value adj. <sup>(1)</sup> (MNOK) | 104,2        | 55,5     | 38,0        | 5,9           | 2,0   | 205,6   |
| Harvest in tons, GWT                              | 15 986       | 16 143   | 13 236      | 14 717        |       | 60 082  |
| EBIT before fair value adj. <sup>(1)</sup> NOK/kg | 6,52         | 3,44     | 2,87        | 0,40          |       | 3,42    |

1) The calculation is based on EBIT before fair value adjustment of biological assets and before reversal previous write-down of intangible assets

2) Erfjord Stamfisk AS is included as a subsidiary from 2011

Group sales revenues for the year fell from NOK 2 446.4m in 2010 to NOK 2 046.9m in 2011, a reduction of 16.3%, while the overall harvested volume was 6.4% down in 2011.

EBIT before fair value adjustment of biomass fell from NOK 639.8m in 2010 to NOK 205.6m in 2011.

### Rogaland

EBIT before fair value adjustment of biomass fell from NOK 9.73 per kilo to NOK 1.29 per kilo in the fourth quarter of 2011. The cost of fish harvested in Rogaland in the fourth quarter was down on the preceding quarter. The result was positively affected by sales of roe from the brood stock production.

The biological situation in Rogaland has been good, and higher seawater temperatures than normal have also resulted in higher seawater production.

### Finnmark

EBIT before fair value adjustment of biomass stood at NOK -5.55 per kilo in the fourth quarter, against NOK 11.43 per kilo in the fourth quarter of 2010 (adjusted for the write-back previous write-downs in 2010). The cost of fish harvested in Finnmark was down on the previous quarter, while at the same time the result includes one-off charges of NOK 19.0m related to write-downs at two sites which have previously had biological problems.

Seawater production in Finnmark was somewhat better than expected due to better growth conditions and higher temperatures than normal in the fourth quarter.

### BC – Canada

EBIT before fair value adjustment of biomass in Canada stood at NOK -1.27 per kilo in the fourth quarter of 2011, against NOK 4.95 per kilo in the same period in 2010. The result in BC includes one-time costs of NOK 14.1m related to an outbreak of furunculosis in the freshwater facility, restructuring of brood stock production and a write-down of frozen inventory. At the same time the result is positively affected by sale of roe for human consumption (pacific salmon). The result for atlantic salmon excluding one-off charges stood at NOK -0.25 per kg in the quarter.

The freshwater facility in BC was affected by furunculosis throughout 2011 and overall this entailed a loss of NOK 27m for the year. The source has been identified and remedial steps have been taken. The part of the production plant that was affected by furunculosis now lies fallow.

Seawater production in Canada was good in 2011, and the biological situation in the sea was also good.

### Shetland – UK

EBIT before fair value adjustment of biomass in Shetland was NOK -1.31 per kilo in the fourth quarter, against NOK 11.03 per kilo in the same period in the previous year. The cost of fish harvested is down compared with the preceding quarter, but continues to be negatively affected by earlier biological problems in production.

## Ocean Quality AS

The good progress that has been made by Ocean Quality was maintained in the fourth quarter, one year after its operations started.

The company's development is in line with the strategy that was set out for the establishment of the company, and with our financial targets. The results show a considerable improvement compared with the first half of 2011.

| Ocean Quality AS      | Q4 2011 | YTD 2011 | Q4 2010 | YTD 2010 |
|-----------------------|---------|----------|---------|----------|
| Sales revenue (MNOK)  | 446,7   | 1 954,9  | 344,5   | 344,5    |
| EBIT (MNOK)           | 12,7    | 29,8     | 3,1     | 3,1      |
| Operating margin in % | 2,85    | 1,53     | 0,89    | 0,89     |

## Cash Flow and Financial Situation

The Grieg Seafood Group had a net cash low of NOK -139.6m from operations in the fourth quarter of 2011. Investments in fixed assets in the fourth quarter alone amounted to NOK 89.0m. The level of investments is slightly less than previously indicated due to postponements until 2012.

For the year as a whole, the net cash flow from operations came to NOK 215.4m, while investments totalled NOK 324.2m, of which NOK131.0m in smolt production which is the company's single most important measure to reduce future production costs.

Grieg Seafood made two acquisitions in 2011. The remaining 51.3% of Erfjord Stamfisk AS was acquired in the first quarter of 2011, while two licences with a total capacity of 3,000 tons were bought in Shetland in the second quarter of the year. The total investment related to acquisitions amounted to NOK 65.1m. Total investments, including acquisitions were therefore NOK 389.3m in 2011.

Net interest-bearing debt totalled NOK 1 443.7m at year-end 2011. At the same time the equity ratio was 40.5%, compared with 48.9% at the end of 2010.

New funding is being established, under which Grieg Seafood will obtain an increased frame for funding of minimum NOK 400m, which will replace the short-term loan of NOK 200m from November 2011 at maturity. Approval of the final terms of the new funding is pending in one of the syndicate banks.

In the fourth quarter Grieg Seafood had a net unrealised foreign exchange loss of NOK 19.8m.

No dividend for 2011 will be proposed by the Board of Grieg Seafood.

## Key figures

| Grieg Seafood Group  | 4Q 2011     | 4Q 2010     | YTD 2011    | YTD 2010    |
|--|-------------|-------------|-------------|-------------|
| Total operating income (TNOK)                              | 519 577     | 669 519     | 2 063 761   | 2 455 888   |
| EBITDA (TNOK)  | 439         | 206 726     | 345 820     | 686 944     |
| EBIT before fair value adj. and reversal write-down (TNOK) | -38 212     | 174 498     | 205 613     | 567 369     |
| EBITDA %   | 0,1 %       | 30,9 %      | 16,8 %      | 28,0 %      |
| EBIT before fair value adj. and reversal write-down %      | -7,4 %      | 26,1 %      | 10,0 %      | 23,1 %      |
| Profit before tax and fair value adj. (TNOK)               | -27 398     | 239 409     | 199 958     | 650 136     |
| Profit after tax (TNOK)                                    | 42 547      | 248 461     | -123 158    | 631 039     |
| Net profit margin  | 8,2 %       | 37,1 %      | -6,0 %      | 25,7 %      |
| Total assets before fair value adj. (TNOK)                 | 4 152 212   | 3 650 004   | 4 152 212   | 3 650 004   |
| Net interest bearing debt (TNOK)                           | 1 443 690   | 1 046 640   | 1 443 690   | 1 046 640   |
| Equity excl. fair value adj. (TNOK)                        | 1 660 516   | 1 689 180   | 1 660 516   | 1 689 180   |
| Equity ratio excl. fair value adj. %                       | 40,1 %      | 46,3 %      | 40,1 %      | 46,3 %      |
| Equity (TNOK)  | 1 690 150   | 1 982 405   | 1 690 150   | 1 982 405   |
| Equity %   | 40,5 %      | 48,9 %      | 40,5 %      | 48,9 %      |
| Basic earnings per share excl. fair value adj. (NOK)       | -0,21       | 1,59        | 1,36        | 4,22        |
| Number of shares at the beginning of the period            | 111 662 000 | 111 662 000 | 111 662 000 | 111 662 000 |
| Number of treasury shares                                  | -1 250 000  | 0           | -1 250 000  | 0           |
| Number of shares at period end incl. share issue           | 110 412 000 | 111 662 000 | 110 412 000 | 111 662 000 |

1) The calculation is based on EBIT before fair value adjustment of biological assets and before reversal previous write-down of intangible assets

## Outlook

Grieg Seafood expects to harvest 71 000 tons in 2012 under existing production plans. This is more than previously indicated due to deferred harvesting in Finnmark and Shetland in the fourth quarter of 2011 and corresponds to an increase of 18% compared with 2011. The harvested volume in the first quarter of 2012 is expected to be 15 100 tons.

Grieg Seafood approved measures aimed at lowering its capital requirement by reducing both the level of investment and the amount of smolt set out in the fourth quarter of 2011. Strong overall supply-side growth is expected in 2012, although the various forecasts are characterised by considerable variations. There has been a good increase in demand in response to lower prices which has absorbed the record-high increase in supply in the fourth quarter of 2011. The company will continue to maintain its focus on good biological production, measures to reduce costs and cash flow and liquidity in 2012.

As 2012 started, feed costs slightly lower thanks to a better trend in the cost of fish meal ingredients and a better catch in Peru.

Further strong supply growth is expected in 2012 which is likely to result in weaker market balance and weaker prices than normal. Unusually good production conditions in the first part of the winter have added to the increased supply in the short term.

Increased demand brought about by lower prices for the consumers, has also broadened distribution in new markets has strengthened the trend, confirming the positive underlying demand for salmon. Market balance will gradually improve as supply growth diminished due to a lack of production capacity and lower prices.

Bergen, 15 February 2012

The Board of Directors of  
Grieg Seafood ASA



Per Grieg jr.  
Chairman



Terje Ramm  
Board member



Asbjørn Reinkind  
Vice-Chairman



Wenche Kjølaas  
Board member



Ingelise Arntsen  
Board member



Morten Vike  
CEO

## **Financial Accounts - Grieg Seafood Group**

### **ACCOUNTING PRINCIPLES**

The accounts for the fourth 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 new standard IFRS 8 “Operating Segments” and amendments to IAS 1 “Presentation of Financial Statements” have been implemented. The quarterly report does not contain all information required for a full annual report, and the report should be read in conjunction with the last annual report for the Group (2010).

The same accounting principles and methods of calculation which were used with respect to the last annual report (2010) have been used in the preparation of this interim report. The accounting principles used by the Group are extensively described in the Annual Accounts for 2010. This report has not been subject to any external audit.



## Income Statement

All figures in NOK 1,000

|   | 4Q 2011        | 4Q 2010        | YTD 2011         | YTD 2010         |
|---|----------------|----------------|------------------|------------------|
| <b>Sales revenues</b>   | 515 144        | 666 000        | 2 046 991        | 2 446 490        |
| Other operating income  | 4 434          | 3 520          | 16 769           | 9 398            |
| <b>Operating income</b>   | <b>519 577</b> | <b>669 519</b> | <b>2 063 761</b> | <b>2 455 888</b> |
| Share of profit from ass. companies and joint venture             | 6 021          | 892            | 13 704           | 5 117            |
| Change in inventories   | 27 223         | 48 736         | 197 753          | -10 412          |
| Raw materials and consumables used                                | -310 920       | -284 129       | -1 087 430       | -932 118         |
| Salaries and personnel expenses                                   | -67 074        | -70 287        | -238 382         | -238 409         |
| Other operating expenses  | -174 389       | -158 005       | -603 586         | -593 122         |
| <b>EBITDA</b>   | <b>439</b>     | <b>206 726</b> | <b>345 820</b>   | <b>686 944</b>   |
| Depreciation and amortisation of tangible assets                  | -37 317        | -30 485        | -136 984         | -115 912         |
| Amortisation of intangible assets                                 | -1 334         | -1 744         | -3 222           | -3 662           |
| Impairment and reversal of impairments of intangible assets       | 0              | 72 385         | 0                | 72 385           |
| <b>EBIT before fair value adjustment of biological assets</b>     | <b>-38 212</b> | <b>246 883</b> | <b>205 613</b>   | <b>639 754</b>   |
| Fair value adjustment of biological assets                        | 70 577         | 89 632         | -395 180         | 207 629          |
| <b>EBIT (Operating profit)</b>                                    | <b>32 365</b>  | <b>336 515</b> | <b>-189 567</b>  | <b>847 383</b>   |
| Share of profit from ass. companies                               | -605           | 2 375          | 25 165           | 7 590            |
| Net financial item  | 11 419         | -9 849         | -30 821          | 2 792            |
| <b>Profit before tax and fair value adj. of biological assets</b> | <b>-27 398</b> | <b>239 409</b> | <b>199 958</b>   | <b>650 136</b>   |
| <b>Profit before tax</b>  | <b>43 179</b>  | <b>329 040</b> | <b>-195 223</b>  | <b>857 766</b>   |
| Estimated taxation  | -632           | -80 580        | 72 064           | -226 727         |
| <b>Profit after tax</b>   | <b>42 547</b>  | <b>248 461</b> | <b>-123 158</b>  | <b>631 039</b>   |
| Profit to minority interests                                      | 0              | 212            | 0                | 0                |
| Profit attributable to equity holders of the parent company       | 42 547         | 248 247        | -123 158         | 631 039          |
| Basic earnings per share  | 0,38           | 2,22           | -1,10            | 5,65             |
| Diluted earnings per share  | 0,39           | 2,22           | -1,11            | 5,64             |
| Basic earnings per share excl. fair value adjustments             | -0,21          | 1,59           | 1,36             | 4,22             |
| Diluted earnings per share excl. fair value adjustments           | -0,31          | 1,59           | 1,53             | 4,21             |

## Balance Sheet

All figures in NOK 1,000

| ASSETS  | 31.12.2011       | 31.12.2010       |
|---|------------------|------------------|
| Goodwill  | 105 373          | 90 540           |
| Licenses  | 987 596          | 926 170          |
| Other intangible assets                               | 4 618            | 3 160            |
| Property, plant and equipment                         | 1 126 699        | 923 546          |
| Investments in associated and joint venture companies | 37 387           | 33 456           |
| Loans to associated companies                         | 996              | 3 449            |
| Available for sale financial assets                   | 1 307            | 557              |
| Non-current receivables                               | 311              | 1 958            |
| <b>Total non-current assets</b>                       | <b>2 264 288</b> | <b>1 982 836</b> |
| Inventories   | 67 355           | 58 409           |
| Biological assets                                     | 1 384 949        | 1 156 416        |
| Fair value biological assets                          | 19 985           | 407 625          |
| Accounts receivable                                   | 223 682          | 265 350          |
| Other current receivables                             | 58 138           | 43 265           |
| Derivates and other financial instruments             | 1 178            | 0                |
| Cash and cash equivalents                             | 152 622          | 143 729          |
| <b>Total current assets</b>                           | <b>1 907 909</b> | <b>2 074 792</b> |
| <b>Total assets</b>                                   | <b>4 172 197</b> | <b>4 057 628</b> |
|   |                  |                  |
| <b>EQUITY AND LIABILITIES</b>                         |                  |                  |
| Share capital   | 446 648          | 446 648          |
| Treasury Shares                                       | -5 000           | 0                |
| Retained earnings and other equity                    | 1 248 502        | 1 535 757        |
| <b>Total equity</b>                                   | <b>1 690 150</b> | <b>1 982 405</b> |
| Deferred tax liabilities                              | 486 702          | 531 498          |
| Pension- and other obligations                        | 1 751            | 6 996            |
| Subordinated loans                                    | 18 287           | 14 581           |
| Borrowings and leasing                                | 775 056          | 819 735          |
| <b>Total non-current liabilities</b>                  | <b>1 281 796</b> | <b>1 372 809</b> |
| Bank overdraft  | 700 000          | 260 000          |
| Current portion of long term borrowings and leasing   | 124 645          | 120 727          |
| Accounts payable                                      | 303 196          | 253 305          |
| Tax payable   | -6 442           | 1 144            |
| Accrued salary expense and public tax payable         | 22 515           | 23 960           |
| Derivates and other financial instruments             | 7 887            | 1 605            |
| Other current liabilities                             | 48 451           | 41 674           |
| <b>Total current liabilities</b>                      | <b>1 200 251</b> | <b>702 414</b>   |
| <b>Total liabilities</b>                              | <b>2 482 047</b> | <b>2 075 223</b> |
| <b>Total equity and liabilities</b>                   | <b>4 172 197</b> | <b>4 057 628</b> |

## Statement of Comprehensive Income

All figures in NOK 1,000

|  | 4Q 2011       | 4Q 2010        | YTD 2011        | YTD 2010       |
|--|---------------|----------------|-----------------|----------------|
| <b>Profit for the period</b>                     | <b>42 547</b> | <b>248 461</b> | <b>-123 158</b> | <b>631 039</b> |
| <b>Other comprehensive income:</b>               |               |                |                 |                |
| Currency translation                             | 16 288        | 979            | -1 059          | 4 476          |
| Other items                                      | 678           | 15             | 678             | -24            |
| <b>Total recognised income for the period</b>    | <b>16 966</b> | <b>994</b>     | <b>-381</b>     | <b>4 452</b>   |
| <b>Total comprehensive income for the period</b> | <b>59 513</b> | <b>249 455</b> | <b>-123 539</b> | <b>635 491</b> |
| Profit attributable to minority interest         | 0             | 212            | 0               | 0              |
| Comprehensive income to owners of the company    | <b>59 513</b> | <b>249 243</b> | <b>-123 539</b> | <b>635 491</b> |

## Changes in equity: Attributable to owners of the Company

All figures in NOK 1,000

|  | 4Q 2011          | 4Q 2010          | YTD 2011         | YTD 2010         |
|--|------------------|------------------|------------------|------------------|
| <b>Equity period start</b>                                   | <b>1 630 637</b> | <b>1 736 846</b> | <b>1 982 405</b> | <b>1 374 421</b> |
| <b>Profit for the period</b>                                 | <b>42 547</b>    | <b>248 461</b>   | <b>-123 158</b>  | <b>631 039</b>   |
| Comprehensive income for the period                          | 16 967           | 994              | -381             | 4 452            |
| <b>Total recognised income for the period</b>                | <b>59 514</b>    | <b>249 455</b>   | <b>-123 539</b>  | <b>635 491</b>   |
| Dividends  | 0                | 0                | -150 744         | -27 916          |
| Purchase of treasury shares                                  | 0                | 0                | -18 036          |                  |
| Purchase of minority shareholders                            | 0                | -4 000           | 0                | 0                |
| Share option / expenses related to share issues (net of tax) | 0                | 103              | 64               | 409              |
| <b>Total equity from shareholders in the period</b>          | <b>0</b>         | <b>-3 897</b>    | <b>-168 716</b>  | <b>-27 507</b>   |
| <b>Total change of equity in the period</b>                  | <b>59 514</b>    | <b>245 559</b>   | <b>-292 255</b>  | <b>607 984</b>   |
| <b>Equity at period end</b>                                  | <b>1 690 150</b> | <b>1 982 405</b> | <b>1 690 150</b> | <b>1 982 405</b> |

## Cash flow statement

All figures in NOK 1,000

|  | 4Q 2011         | 4Q 2010        | YTD 2011        | YTD 2010        |
|--|-----------------|----------------|-----------------|-----------------|
| <b>Operating profit (EBIT after fair value adjustment)</b>             | <b>32 365</b>   | <b>336 515</b> | <b>-189 567</b> | <b>847 383</b>  |
| Adjustment for fair value adjustment and contracts                     | -70 577         | -89 632        | 395 180         | -207 629        |
| Adjustment for depreciation and impairment                             | 38 652          | -40 156        | 140 208         | 47 190          |
| Adjustment for income/loss from associated and joint venture companies | -6 021          | -892           | -13 704         | -4 708          |
| Change in inventory, trade payables and trade receivables              | -144 772        | -104 136       | -85 228         | -58 632         |
| Taxes paid   | -502            | -32 085        | -4 354          | -32 491         |
| Other adjustments  | 11 236          | -6 656         | -27 129         | 3 618           |
| <b>Cash flow from operations</b>                                       | <b>-139 619</b> | <b>62 958</b>  | <b>215 406</b>  | <b>594 731</b>  |
| Capital expenditure (fixed assets)                                     | -89 014         | -58 214        | -324 186        | -241 804        |
| Proceeds from sale of fixed assets                                     | -154            | 0              | 29              | 2 661           |
| Investment in shares in subsidiaries                                   | 0               | -7 500         | -65 127         | -20 521         |
| Change in other non-current receivables                                | 2 759           | 3 765          | 3 737           | -3 096          |
| <b>Cash flow from investments</b>                                      | <b>-86 409</b>  | <b>-61 949</b> | <b>-385 547</b> | <b>-262 760</b> |
| Net changes in interest-bearing debt (non-current and current)         | 206 127         | 5 827          | 382 464         | -250 553        |
| Paid dividends   | 0               | 0              | -150 744        | -27 916         |
| Treasury Shares  | 0               | 0              | -18 036         | 0               |
| Net interest and financial items                                       | -4 476          | -10 905        | -34 833         | -51 213         |
| <b>Cash flow from financing</b>  | <b>201 651</b>  | <b>-5 078</b>  | <b>178 851</b>  | <b>-329 682</b> |
| <b>Changes in cash and cash equivalents in the period</b>              | <b>-24 377</b>  | <b>-4 196</b>  | <b>8 710</b>    | <b>2 289</b>    |
| Cash and cash equivalents - opening balance                            | 174 291         | 147 029        | 143 729         | 139 778         |
| Currency effect on cash - opening balance                              | 2 708           | 894            | 183             | 1 660           |
| <b>Cash and cash equivalents - closing balance</b>                     | <b>152 622</b>  | <b>143 727</b> | <b>152 622</b>  | <b>143 727</b>  |

## Segment Information

The operating segments 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.

The Group management assessment of business activities relates to geographical segments based on the location of assets. Geographically, the management assesses the results of production in Rogaland - Norway, Finnmark - Norway, BC - Canada and Shetland - UK.

The Group management assesses the results from the segments based the adjusted operating result (EBIT), before fair value adjustment. This method of measurement excludes the effect of one-time costs, such as restructuring costs, legal costs and amortisation of goodwill when amortisation is the result of an isolated event which is not expected to recur. The method of measurement 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 items/eliminations" contains the results of activities carried out by the parent company and other non-production-geared companies of the Group, as well as eliminations of intra-Group transactions.



| 4Q 2011                                | Rogaland (2) |         | Finnmark |         | BC - Canada |         | Shetland - UK |         | Other/ eliminations |         | Total   |         |
|--|--------------|---------|----------|---------|-------------|---------|---------------|---------|---------------------|---------|---------|---------|
|  | 4Q 2011      | 4Q 2010 | 4Q 2011  | 4Q 2010 | 4Q 2011     | 4Q 2010 | 4Q 2011       | 4Q 2010 | 4Q 2011             | 4Q 2010 | 4Q 2011 | 4Q 2010 |
| Revenues (TNOK)                        | 114 253      | 134 321 | 136 958  | 267 915 | 118 044     | 93 755  | 135 281       | 170 346 | 15 041              | 3 477   | 519 577 | 669 814 |
| Trading revenue (TNOK)                 |              |         |          | 19 920  |             |         |               |         |                     | -20 215 |         | -295    |
|  |              |         |          |         |             |         |               |         |                     | 0       |         |         |
| EBITDA (TNOK)                          | 14 473       | 41 984  | -20 171  | 94 088  | 2 224       | 18 046  | 6 039         | 58 321  | -2 126              | -5 713  | 439     | 206 726 |
| EBIT before fair value adj. (TNOK) (1) | 5 279        | 35 143  | -31 768  | 86 870  | -5 040      | 11 744  | -5 871        | 46 897  | -812                | -6 156  | -38 213 | 174 498 |
| EBITDA %                               | 12,7 %       | 31,3 %  | -14,7 %  | 32,7 %  | 1,9 %       | 19,2 %  | 4,5 %         | 34,2 %  |                     |         | 0,1 %   | 30,9 %  |
| EBIT before fair value adj. % (1)      | 4,6 %        | 26,2 %  | -23,2 %  | 30,2 %  | -4,3 %      | 12,5 %  | -4,3 %        | 27,5 %  |                     |         | -7,4 %  | 26,1 %  |
| EBIT/KG GWT (1,2)                      | 1,29         | 9,73    | -5,55    | 11,43   | -1,27       | 4,95    | -1,31         | 11,03   |                     |         | -2,09   | 9,78    |
| Harvest in tons, GWT                   | 4 082        | 3 610   | 5 728    | 7 602   | 3 970       | 2 371   | 4 478         | 4 253   | 0                   | 0       | 18 258  | 17 836  |
| Trading in tons, GWT                   |              |         | 0        | 603     |             |         |               |         | 0                   | -603    | 0       | 0       |

1) The calculation is based on EBIT before fair value adjustment of biological assets and before reversal previous write-down of intangible assets

2) Erfjord Stamfisk AS is included as a subsidiary from 2011

| YTD 2011                               | Rogaland (2) |          | Finnmark |          | BC - Canada |          | Shetland - UK |          | Other/ eliminations |          | Total     |           |
|--|--------------|----------|----------|----------|-------------|----------|---------------|----------|---------------------|----------|-----------|-----------|
|  | YTD 2011     | YTD 2010 | YTD 2011 | YTD 2010 | YTD 2011    | YTD 2010 | YTD 2011      | YTD 2010 | YTD 2011            | YTD 2010 | YTD 2011  | YTD 2010  |
| Revenues (TNOK)                        | 547 730      | 476 149  | 499 906  | 733 324  | 491 276     | 554 290  | 511 917       | 660 277  | 12 932              | 9 165    | 2 063 761 | 2 433 205 |
| Trading revenue (TNOK)                 |              |          |          | 381 111  |             |          |               |          |                     | -358 428 | 0         | 22 683    |
| EBITDA (TNOK)                          | 137 751      | 156 729  | 89 370   | 243 687  | 63 817      | 92 230   | 50 491        | 220 207  | 4 391               | -25 910  | 345 820   | 686 943   |
| EBIT before fair value adj. (TNOK) (1) | 104 243      | 131 013  | 55 460   | 216 167  | 37 988      | 69 150   | 5 894         | 178 612  | 2 028               | -27 573  | 205 613   | 567 369   |
| EBITDA %                               | 25,1 %       | 32,9 %   | 17,9 %   | 21,9 %   | 13,0 %      | 16,6 %   | 9,9 %         | 33,4 %   |                     |          | 16,8 %    | 28,0 %    |
| EBIT before fair value adj. %          | 19,0 %       | 27,5 %   | 11,1 %   | 19,4 %   | 7,7 %       | 12,5 %   | 1,2 %         | 27,1 %   |                     |          | 10,0 %    | 23,1 %    |
| EBIT/KG GWT (1,2)                      | 6,52         | 10,20    | 3,44     | 10,44    | 2,87        | 5,05     | 0,40          | 10,51    |                     |          | 3,42      | 8,84      |
| Harvest in tons, GWT                   | 15 986       | 12 839   | 16 143   | 20 705   | 13 236      | 13 682   | 14 717        | 16 988   | 0                   |          | 60 082    | 64 214    |
| Trading in tons, GWT                   |              |          | 0        | 9 846    |             |          |               |          | 0                   | -9 817   | 0         | 29        |

1) The calculation is based on EBIT before fair value adjustment of biological assets and before reversal previous write-down of intangible assets

2) Erfjord Stamfisk AS is included as a subsidiary from 2011

## Adjusted operating EBIT for reportable segments

All figures in NOK 1,000

|  | 4Q 2011        | 4Q 2010        | YTD 2011        | YTD 2010       |
|--|----------------|----------------|-----------------|----------------|
| <b>EBIT before fair value adjustment</b>   | <b>-38 212</b> | <b>246 883</b> | <b>205 613</b>  | <b>639 754</b> |
| Fair value adjustment of biological assets incl. fair value of financial instruments | 70 577         | 89 632         | -395 180        | 207 629        |
| <b>EBIT (Operating profit)</b>   | <b>32 365</b>  | <b>336 515</b> | <b>-189 567</b> | <b>847 383</b> |
| Income from associated companies   | -605           | 2 375          | 256             | 7 590          |
| Exit associated company 1)   | 0              |                | 24 909          |                |
| Changes in fair value from foreign exchange derivatives                              | -2 277         | 4 666          | -7 146          | 9 606          |
| Net financial interest   | -18 179        | -11 695        | -50 965         | -49 557        |
| Net currency gain (losses)   | 32 238         | -4 827         | 28 066          | 40 946         |
| Dividends  | 0              | 0              | 20              | 15             |
| Net other financial expenses /-income  | -362           | 2 007          | -796            | 1 783          |
| <b>Profit before tax</b>   | <b>43 179</b>  | <b>329 040</b> | <b>-195 223</b> | <b>857 766</b> |
| Estimated taxation   | -632           | -80 580        | 72 064          | -226 727       |
| <b>Net profit in the period</b>  | <b>42 547</b>  | <b>248 461</b> | <b>-123 158</b> | <b>631 039</b> |

1) Exit associated company relate to Erfjord Stamfisk which is now a subsidiary company from the acquired the remaining 51,3% in Q1 2011. The previous owner share to actual value at the acquire date.

## Biological Assets

For companies that use IFRS the valuation of live fish is regulated by the IAS 41- Agriculture standard. During the second half of 2011, the largest salmon farming companies in Norway joined forces to agree upon a common approach for estimating the fair value of biomass in accordance with IAS 41- Agriculture. Based on the common approach for estimating fair value of biomass Grieg Seafood ASA adjusted its calculation model for estimating fair value effective as of the fourth quarter of 2011. The new approach assumes that the best estimate of fair value for fish less than 1 kg is reflected profits in relation to finished grade to the estimated value. Fish over 4 kilograms (harvested fish) is valued at expected market value. If the expected value is below the expected cost, this will imply a negative value adjustment for biological assets. Sales prices for the harvest of fish is based on spot prices, while prices for fish from 1 to 4 kg is based on forward prices and/or the most relevant price information available for the period the fish is expected to be slaughtered. The price is adjusted for quality differences and logistics costs. Volume is adjusted for gutting loss. The positive effect of changes to the approach for calculation of fair value was approximately NOK 76m as of 31 December 2011.

|  | Tons          |               | NOK 1,000        |                  |
|--|---------------|---------------|------------------|------------------|
|  | 4Q 2011       | YTD 2011      | 4Q 2011          | YTD 2011         |
| <b>Biological assets - beginning of period</b> | 55 048        | 49 030        | 1 283 175        | 1 564 046        |
| Currency translation                           |               |               | 18 595           | 8 592            |
| Increases due to purchases                     | 0             | 0             | -74              | -2 919           |
| Increases due to production                    | 25 495        | 81 356        | 496 549          | 1 701 047        |
| Increase due to company acquisitions           | 0             | 1 523         | 0                | 45 247           |
| Decreases due to sales/harvesting/mortality    | -22 011       | -73 377       | -472 124         | -1 504 576       |
| Fair value adjustment beginning of period      | N/A           | N/A           | 58 823           | -407 625         |
| Fair value adjustment acquisitions             |               |               | 0                | -18 863          |
| Fair value adjustment period end               | N/A           | N/A           | 19 985           | 19 985           |
| <b>Biological assets - end of period</b>       | <b>58 531</b> | <b>58 532</b> | <b>1 404 934</b> | <b>1 404 934</b> |

|   | Number<br>of fish<br>(1.000) | Biomass<br>(tons) | Cost of<br>production | Fair value<br>adjustment | Carrying<br>amount |
|---|------------------------------|-------------------|-----------------------|--------------------------|--------------------|
| <b>Biological assets - status 31.12.2011</b>                    |                              |                   |                       |                          |                    |
| Smolt /brood  | 18 769                       | 358               | 75 127                | 0                        | 75 127             |
| Biological assets w ith round w eight < 4 kg                    | 24 801                       | 33 118            | 838 018               | -31 101                  | 806 917            |
| Biological assets w ith round w eight > 4 kg                    | 4 533                        | 25 056            | 471 805               | 51 086                   | 522 891            |
| <b>Total</b>  | <b>48 103</b>                | <b>58 532</b>     | <b>1 384 950</b>      | <b>19 985</b>            | <b>1 404 934</b>   |
|   |                              |                   |                       |                          |                    |
|   | Number<br>of fish<br>(1.000) | Biomass<br>(tons) | Cost of<br>production | Fair value<br>adjustment | Carrying<br>amount |
| <b>Biologiske eiendeler status 31.12.2010</b>                   |                              |                   |                       |                          |                    |
| Smolt /brood  | 24 489                       | 205               | 63 109                | 0                        | 63 109             |
| Biological assets w ith round w eight < 4 kg (smolt not include | 21 890                       | 25 786            | 701 917               | 173 372                  | 875 288            |
| Biological assets w ith round w eight > 4 kg                    | 4 144                        | 23 038            | 391 390               | 234 254                  | 625 643            |
| <b>Total</b>  | <b>50 523</b>                | <b>49 029</b>     | <b>1 156 415</b>      | <b>407 625</b>           | <b>1 564 041</b>   |

## Related Parties

The Group has transactions with companies which are controlled by Grieg Seafood ASA's majority owner, Grieg Holdings AS. Grieg Seafood ASA's offices are rented from Grieg Gaarden KS. Services related to information technology and salaries are delivered by Grieg Group Resources AS. All services and the rental relationship are provided on an arm's length basis. On 2011 Grieg Holdings AS stood surety for a short-term loan of NOK 200m to Grieg Seafood ASA.

# **Shares controlled by board members and management:**

|  | No. shares        | Shareholding   |
|--|-------------------|----------------|
| <b>Board of directors:</b>                                     |                   |                |
| Per Grieg jr. *)   | 60 726 561        | 54,38 %        |
| Wenche Kjøllås (Jaw endel AS)                                  | 7 000             | 0,006 %        |
| Asbjørn Reinkind (Reinkind AS)                                 | 60 000            | 0,054 %        |
| Ingelise Arntsen   | 0                 | 0,00 %         |
| Terje Ramm   | 0                 | 0,00 %         |
| <b>Management:</b>   |                   |                |
| Morten Vike (CEO)  | 75 000            | 0,07 %         |
| Atle Harald Sandtorv (CFO)                                     | 15 000            | 0,01 %         |
| Michael Stark (Regional Director)                              | 20 500            | 0,02 %         |
| Alexander Knudsen (Regional Director)                          | 20 000            | 0,02 %         |
| Håkon Volden (Regional Director)**                             | 1 329 210         | 1,19 %         |
| <b>Total shares controlled by board members and management</b> | <b>62 253 271</b> | <b>55,75 %</b> |

\* Shares owned by the following companies are controlled by Per Grieg jr. and closely related( Verdipapirhandelloven § 2-5):

|   |                   |
|---|-------------------|
| Grieg Holdings AS   | 55 801 409        |
| Grieg Shipping AS   | 824 565           |
| Ystholmen AS  | 3 868 197         |
| Grieg Ltd AS  | 217 390           |
| Per Grieg jr. private   | 15 000            |
| <b>Total no. shares controlled by Per Grieg jr. and closely related</b> | <b>60 726 561</b> |



## Shareholders /Share Capital

### Share capital:

As of December 31, 2011, the company has 111 662 000 shares at a nominal value of NOK 4 per share. The company purchased in June 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 |
|------------------------------|------------------------------|--------------------------------|-------------------------------|----------------------------|------------------------|
| 30.09.2011                   |                              |                                | 4,00                          | 446 648                    | 111 662 000            |
| 17.06.2011                   | Purchased of treasury shares |                                | 4,00                          | -5 000                     | -1 250 000             |
| <b>Total ordinary shares</b> |                              |                                |                               | <b>441 648</b>             | <b>110 412 000</b>     |

The largest shareholders in Grieg Seafood ASA as of 31.12.2011 were:

|                                      | No. shares         | Shareholding    |
|--------------------------------------|--------------------|-----------------|
| GRIEG HOLDINGS                       | 55 801 409         | 49,97 %         |
| KONTRARI AS                          | 15 250 000         | 13,66 %         |
| YSTHOLMEN AS                         | 3 868 197          | 3,46 %          |
| HARALD VOLDEN AS                     | 3 100 560          | 2,78 %          |
| DNB NOR SMB                          | 2 771 744          | 2,48 %          |
| SKANDINAVISKA ENSKILDA BANKEN        | 1 874 999          | 1,68 %          |
| CAPELKA AS                           | 1 572 000          | 1,41 %          |
| MOHN TROND                           | 1 500 000          | 1,34 %          |
| OM HOLDING AS                        | 1 346 622          | 1,21 %          |
| GRIEG SEAFOOD ASA                    | 1 250 000          | 1,12 %          |
| DROME AS                             | 1 041 757          | 0,93 %          |
| BERGEN KOMMUNALE PENSJONSKASSE       | 1 000 000          | 0,90 %          |
| TEIGEN OLE KJETIL                    | 999 445            | 0,90 %          |
| MK PENSJON FK                        | 859 000            | 0,77 %          |
| GRIEG SHIPPING AS                    | 824 565            | 0,74 %          |
| SKANDINAVISKA ENSKILDA BANKEN        | 787 193            | 0,70 %          |
| METEVA AS                            | 681 203            | 0,61 %          |
| VERDIPAPIRFONDET PARETO NORDIC VAL   | 579 374            | 0,52 %          |
| NHO - P665AK                         | 551 000            | 0,49 %          |
| BREMNES FRYSERI AS                   | 543 000            | 0,49 %          |
| <b>Total 20 largest shareholders</b> | <b>96 202 068</b>  | <b>86,15 %</b>  |
| Total other                          | 15 459 932         | 13,85 %         |
| <b>Total numbers of shares</b>       | <b>111 662 000</b> | <b>100,00 %</b> |

### Share capital:

As of December 31, 2011, the company has 111 662 000 shares at a nominal value of NOK 4 per share. The company purchased in June 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 |
|------------------------------|------------------------------|--------------------------------|-------------------------------|----------------------------|------------------------|
| 30.09.2011                   |                              |                                | 4,00                          | 446 648                    | 111 662 000            |
| 17.06.2011                   | Purchased of treasury shares |                                | 4,00                          | -5 000                     | -1 250 000             |
| <b>Total ordinary shares</b> |                              |                                |                               | <b>441 648</b>             | <b>110 412 000</b>     |

### The largest shareholders in Grieg Seafood ASA as of 31.12.2011 were:

|                                      | No. shares         | Shareholding    |
|--------------------------------------|--------------------|-----------------|
| GRIEG HOLDINGS                       | 55 801 409         | 49,97 %         |
| KONTRARI AS                          | 15 250 000         | 13,66 %         |
| YSTHOLMEN AS                         | 3 868 197          | 3,46 %          |
| HARALD VOLDEN AS                     | 3 100 560          | 2,78 %          |
| DNB NOR SMB                          | 2 771 744          | 2,48 %          |
| SKANDINAVISKA ENSKILDA BANKEN        | 1 874 999          | 1,68 %          |
| CAPELKA AS                           | 1 572 000          | 1,41 %          |
| MOHN TROND                           | 1 500 000          | 1,34 %          |
| OM HOLDING AS                        | 1 346 622          | 1,21 %          |
| GRIEG SEAFOOD ASA                    | 1 250 000          | 1,12 %          |
| DROME AS                             | 1 041 757          | 0,93 %          |
| BERGEN KOMMUNALE PENSJONSKASSE       | 1 000 000          | 0,90 %          |
| TEIGEN OLE KJETIL                    | 999 445            | 0,90 %          |
| MK PENSJON FK                        | 859 000            | 0,77 %          |
| GRIEG SHIPPING AS                    | 824 565            | 0,74 %          |
| SKANDINAVISKA ENSKILDA BANKEN        | 787 193            | 0,70 %          |
| METEVA AS                            | 681 203            | 0,61 %          |
| VERDIPAPIRFONDET PARETO NORDIC VAL   | 579 374            | 0,52 %          |
| NHO - P665AK                         | 551 000            | 0,49 %          |
| BREMNES FRYSERI AS                   | 543 000            | 0,49 %          |
| <b>Total 20 largest shareholders</b> | <b>96 202 068</b>  | <b>86,15 %</b>  |
| Total other                          | 15 459 932         | 13,85 %         |
| <b>Total numbers of shares</b>       | <b>111 662 000</b> | <b>100,00 %</b> |

## 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. Sundtsgate 17/19 N-5004 BERGEN             |
| Tel.:               | +47 55 57 66 00  |
| Internet            | <a href="http://www.griegseafood.no">www.griegseafood.no</a> |
| Organisation number | NO 946 598 038 MVA   |

### Board of Directors of Grieg Seafood ASA

|                  |              |
|------------------|--------------|
| Per Grieg jr.    | Chair        |
| Asbjørn Reinkind | Vice Chair   |
| Ingelise Arntsen | Board Member |
| Terje Ramm       | Board Member |
| Wenche Kjølås    | Board Member |

### Group Management

|                      |     |
|----------------------|-----|
| Morten Vike          | CEO |
| Atle Harald Sandtorv | CFO |

### Financial Calendar

|                          |            |
|--------------------------|------------|
| Preliminary results 2011 | 15.02.2012 |
| First Quarter 2012       | 15.05.2012 |
| Annual General Meeting   | 24.05.2012 |
| Second Quarter 2012      | 16.08.2012 |
| Third Quarter 2012       | 02.11.2012 |
| Preliminary results 2012 | 15.02.2013 |

*The company reserves the right to amend the above dates.*