

Grieg Seafood ASA



Q2 2011

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Agenda

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

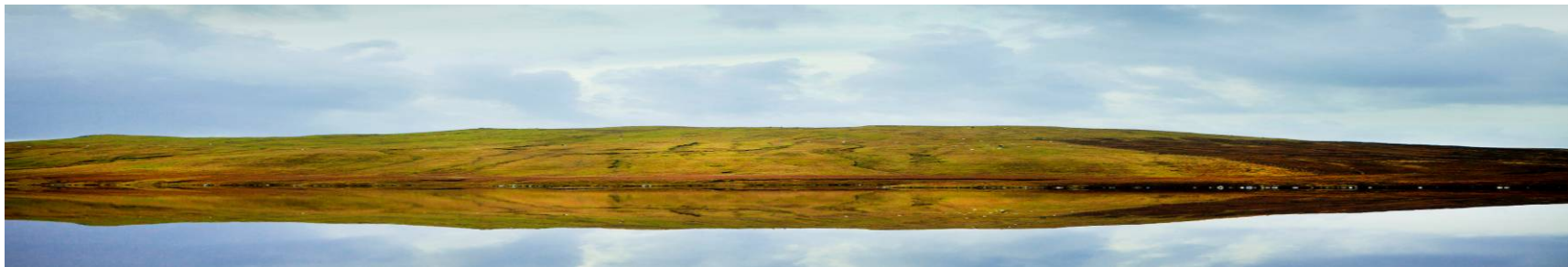


HIGHLIGHTS Q2 2011



Highlights Q2 2011

- Strong result in Norway in Q2 2011.
- A weak result in Canada and Shetland, influenced by negative one-off biological incidents.
- Market shift from second half of quarter with supply growth and falling prices.
- EBIT before FV adjustment of MNOK 142.9 (MNOK 175.1)
- EBIT before FV adjustment of 10.01 NOK per kg.
- Harvest volume of 14 282 tons (+4.3%).



Financial highlights Q2 2011

	Q2 2011	Q2 2010	YTD 2011	YTD 2010
Total operating income (TNOK)	567 819	581 476	1 077 102	1 200 410
EBITDA (TNOK)	177 059	204 281	342 334	346 426
EBIT before fair value adj. (TNOK)	142 897	175 054	274 493	290 409
EBIT adj / kg (NOK)	10,01	12,78	10,49	9,14
Harvest volume (tons gwe)	14 282	13 696	26 161	31 776

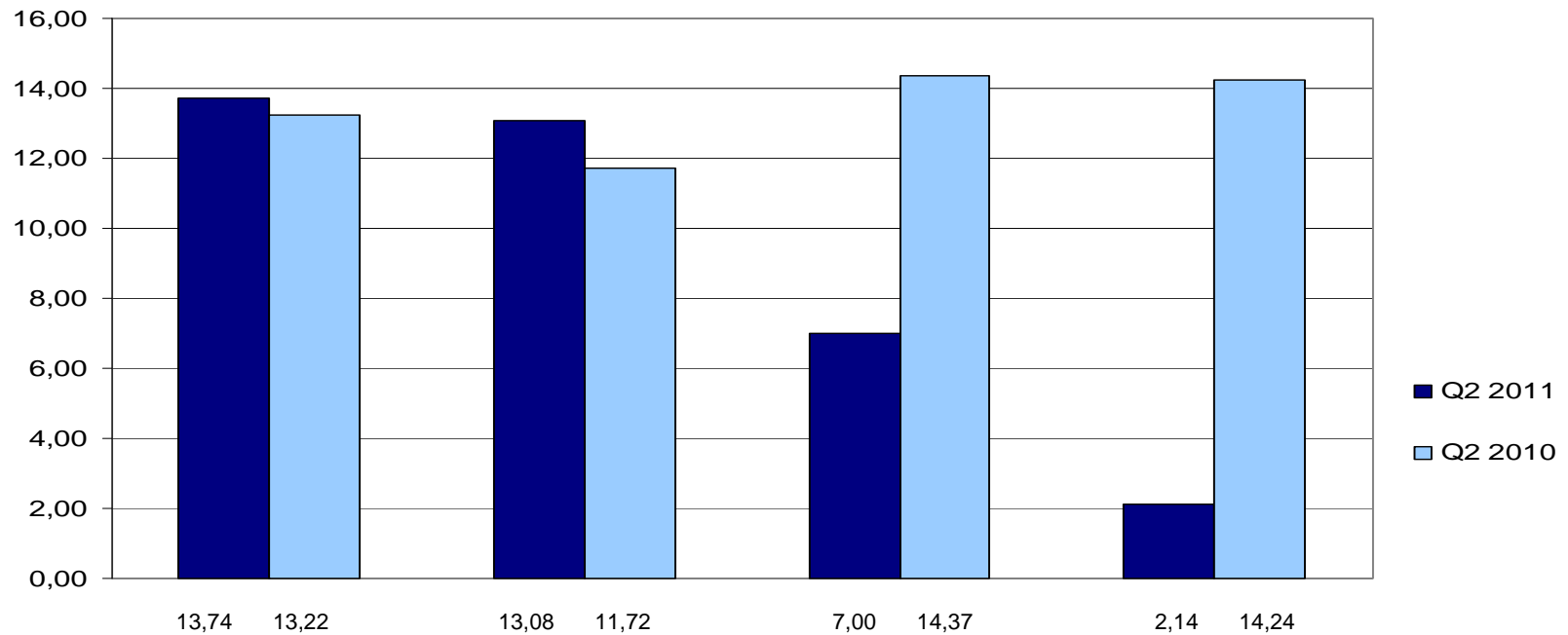
- 2.7% volume decrease.
- 1.9% average reduction in realised prices.
- 5.5% structural effects in harvest volume (Erfjord Stamfisk).

BUSINESS UNITS (REGIONS)



Business units performance – Q2 2011

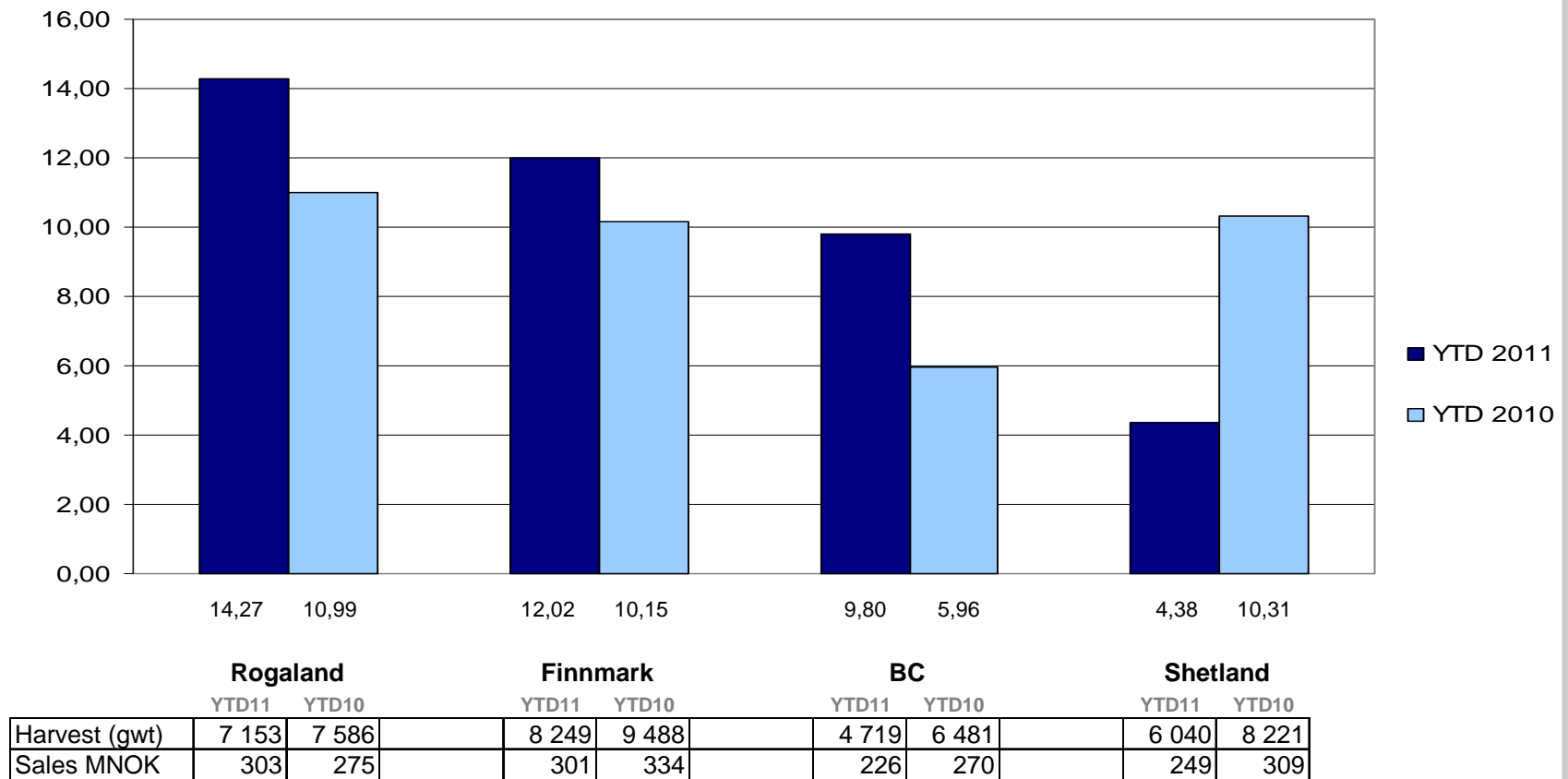
Operational EBIT before biomass adjustment/KG gwt



	Rogaland		Finnmark		BC		Shetland	
	Q2 11	Q2 10	Q2 11	Q2 10	Q2 11	Q2 10	Q2 11	Q2 10
Harvest (gwt)	4 675	3 504	4 276	4 077	2 339	2 639	2 992	3 476
Sales MNOK	185	139	153	161	108	134	122	144

Business units performance – YTD 2011

Operational EBIT before biomass adjustment/KG gwt



GSF Rogaland

- Stable biological performance.
- One PD-incident, but no major increase in mortalities.
- Low lice levels and seawater production as expected.
- New smolt recirc facility started production.
- Q2 2011 positively influenced by acquisition of Erfjord Stamfisk:
 - Volume: + 760 tons gwe
 - Pro-forma EBIT/kg Q2 10: 14.33 NOK per kg.

	Q2 2011	Q2 2010	YTD 2011	YTD 2010
Harvest (gwt)	4 675	3 504	7 153	7 586
Sales revenues	185 471	138 661	302 900	274 952
EBIT adj	64 236	46 340	102 106	83 370
EBIT adj/kg	13,74	13,22	14,27	10,99



GSF Finnmark

- Lower costs.
- Lower realised prices than in Q2 2010.
- Good seawater production despite lower than expected temperatures.

	Q2 2011	Q2 2010	YTD 2011	YTD 2010
Harvest (gwt)	4 276	4 077	8 249	9 488
Sales revenues	153 294	160 940	301 374	334 253
EBIT adj	55 921	47 776	99 150	96 338
EBIT adj/kg	13,08	11,72	12,02	10,15



GSF BC (Canada)

- Result negatively affected by non-recurring biological incidents.
- Write-downs related to a furunculosis outbreak in the hatchery and one minor algal bloom.
- One-off effect of 3.8 NOK per kg.
- 10% share of pacific salmon with lower profitability.
- Price decline in line with Europe, but mainly after end of the quarter.

	Q2 2011	Q2 2010	YTD 2011	YTD 2010
Harvest (gwt)	2 339	2 639	4 719	6 481
Sales revenues	108 359	134 208	225 975	269 667
EBIT adj	16 368	37 931	46 248	38 614
EBIT adj/kg	7,00	14,37	9,80	5,96



GSF Hjaltland (Shetland)

- Weaker than expected result.
- Weak performance of the 2009 S0 generation (ended July 2011):
 - 2 unusual cold winters.
 - Previous predation issues.
 - One incident involving high mortalities (HSMI).
- Next generation shows good biological performance and reduced costs.
- Weaker seawater production due to the 2009 S0 generation and low seawater temperatures.

	Q2 2011	Q2 2010	YTD 2011	YTD 2010
Harvest (gwt)	2 992	3 476	6 040	8 221
Sales revenues	121 741	144 288	248 769	309 417
EBIT adj	6 390	49 491	26 455	84 753
EBIT adj/kg	2,14	14,24	4,38	10,31



Ocean Quality AS (sales Norway)

- A volatile market has caused variable margin level.
- Weak price realisation in the first part of the quarter, improving towards the end.
- Strengthened organisation at end of the quarter.
- Continued focus on market development and preferred customer position.

All figures in NOK 1,000	Q2 2011	YTD 2011
Sales revenue (MNOK)	564,9	1 024,2
EBIT (MNOK)	2,9	5,8
Margin	0,5 %	0,6 %



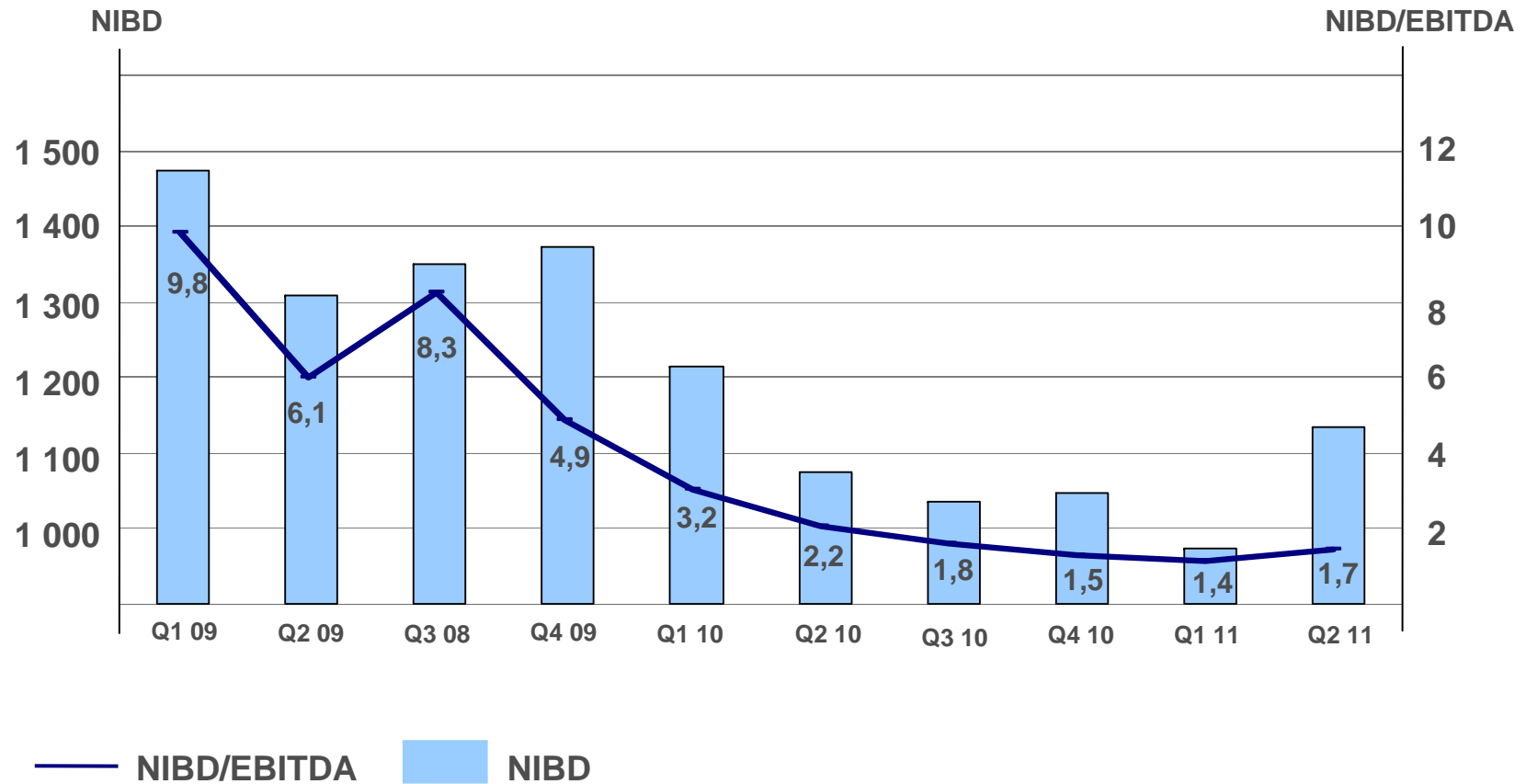
Financials



Profit and Loss

All figures in NOK 1,000	Q2 2011	Q2 2010	YTD 2011	YTD 2010
Total operating income	567 819	581 476	1 077 102	1 200 410
EBITDA	177 059	204 281	342 334	346 426
Depreciation and amortisation	-34 162	-29 226	-67 841	-56 018
EBIT before biomass adj	142 897	175 054	274 493	290 409
Fair value adj biological assets	-484 457	9 576	-345 373	254 092
EBIT after biomass adj.	-341 561	184 630	-70 881	544 500
Share of profit from ass. companies	424	5 350	25 750	5 707
Net financial	-14 180	-586	-24 999	-3 498
Profit before tax	-355 316	189 394	-70 130	546 709
Estimated taxation	96 609	-50 900	25 795	-149 970
Net profit in the period	-258 708	138 494	-44 335	396 739

Net Interest Bearing Debt



Balance sheet 1

ASSETS	30.06.11	30.06.10	31.12.10
Goodwill	104 872	90 853	90 540
Licenses	974 516	844 668	926 170
Other intangible assets	3 773	4 368	3 160
Property, plant and equipment	996 575	904 438	923 546
Investments in associated and joint venture companies	30 607	21 980	33 456
Other non-current assets	5 228	8 117	5 964
Total non-current assets	2 115 570	1 874 425	1 982 836
Inventories	65 978	52 076	58 409
Biological assets	1 220 969	1 086 361	1 564 041
Fair value biological assets	51 828	486 638	0
Accounts receivable	210 753	201 235	265 350
Other current receivables	42 054	56 014	43 265
Derivates and other financial instruments	23 203	0	0
Cash and cash equivalents	113 903	238 481	143 729
Total current assets	1 728 689	2 120 804	2 074 792
Total assets	3 844 259	3 995 229	4 057 628

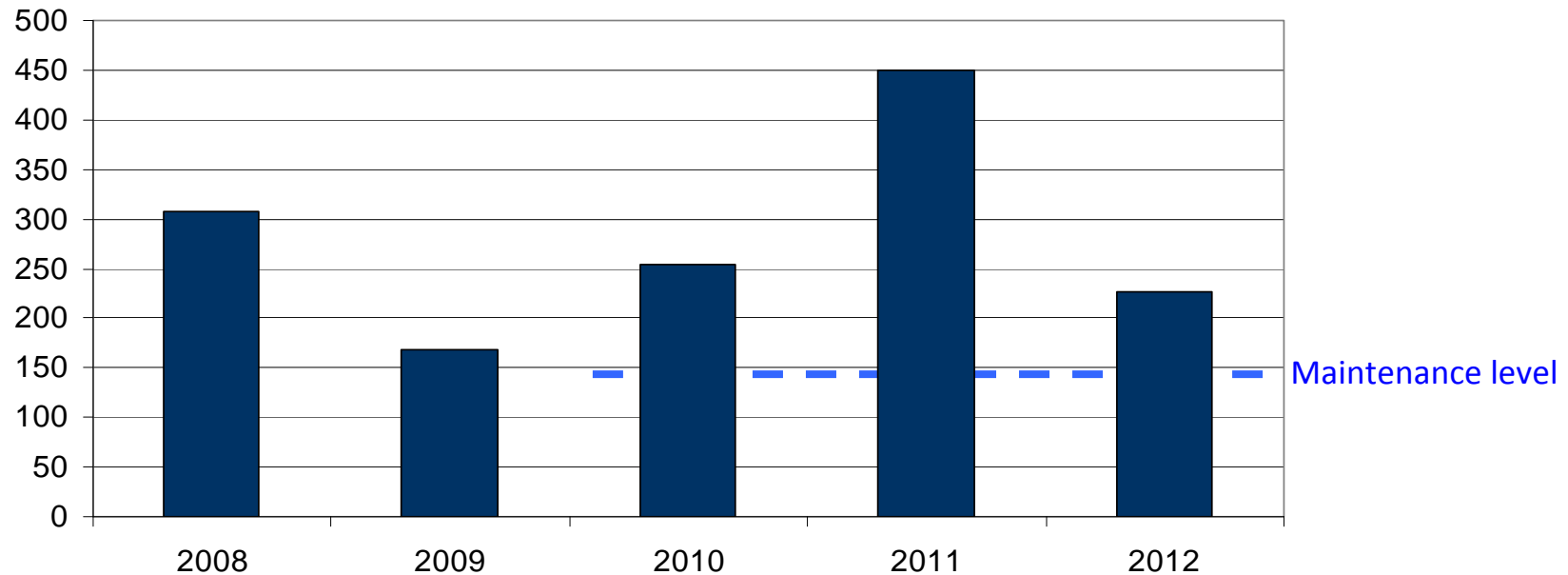
Balance sheet 2

EQUITY AND LIABILITIES	30.06.11	30.06.10	31.12.10
Share capital	446 648	446 648	446 648
Treasury Shares	-18 036	0	0
Retained earnings and other equity	1 313 590	1 363 299	1 535 757
Total equity	1 742 202	1 809 946	1 982 405
Deferred tax liabilities	517 896	486 379	531 498
Pension- and other obligations	5 945	4 785	7 896
Subordinated loans	17 654	17 029	14 581
Borrowings	777 349	881 312	818 834
Total non-current liabilities	1 318 844	1 389 505	1 372 809
Bank overdraft	360 000	310 842	260 000
Current portion of long term borrowings	118 118	132 328	120 727
Accounts payable	215 515	204 108	253 305
Tax payable	7 536	25 133	0
Accrued salary expense and public tax payable	48 870	56 781	25 104
Derivates and other financial instruments	0	25 228	1 605
Other current liabilities	33 174	41 357	41 674
Total current liabilities	783 213	795 778	702 414
Total liabilities	2 102 057	2 185 283	2 075 223
Total equity and liabilities	3 844 259	3 995 229	4 057 628

Cash Flow

All figures in NOK 1,000	Q2 2011	Q2 2010	YTD 2011	YTD 2010
Operating profit (EBIT after fair value adjustment)	-341 561	184 630	-70 881	544 500
Adjustment for fair value adjustment and contracts	484 457	-9 576	345 373	-254 092
Adjustment for depreciation and impairment	34 180	29 226	67 842	56 018
Adjustment for income/loss from associated and joint venture companies	-2 120	-2 656	-5 453	-2 656
Change in inventory, trade payables and trade receivables	-4 551	-4 366	22 291	2 742
Taxes paid	0	0	0	0
Other adjustments	-52 706	48 070	-27 237	145 426
Cash flow from operations	117 699	245 328	331 935	491 938
Capital expenditure (fixed assets)	-79 528	-47 411	-146 410	-97 650
Proceeds from sale of fixed assets	0	0	29	11
Investment in shares in subsidiaries	-20 773	0	-65 127	0
Investments in associated companies	0	0	0	0
Change in other non-current receivables	278	-63	812	-5 249
Cash flow from investments	-100 023	-47 474	-210 696	-102 888
Down payment of interest-bearing debt (non-current and current)	108 228	-205 643	49 151	-233 994
Paid dividends	-150 744	-27 916	-150 744	-27 916
Treasury Shares	-18 036	0	-18 036	0
Net interest and financial items paid	-15 672	-14 235	-30 389	-32 012
Cash flow from financing	-76 224	-247 794	-150 018	-293 922
Changes in cash and cash equivalents in the period	-58 548	-49 940	-28 779	95 128
Cash and cash equivalents - opening balance	174 047	286 561	143 729	139 778
Currency effect on cash - opening balance	-1 596	1 860	-1 047	3 575
Cash and cash equivalents - closing balance	113 903	238 481	113 903	238 481

GSF investment programme



- 2011 including Erfjord (MNOK 45), acquisition Shetland (MNOK 20) and increased smolt capacity Finnmark (MNOK 37).
- Planned investments of MNOK 237 in new recirculation facilities in all 4 regions
 - MNOK 187 in 2011
 - MNOK 40 in 2012
 - MNOK 10 in 2013

Key financial indicators

	Q2 2011	Q2 2010	YTD 2011	YTD 2010
EBITDA-margin before adj biomass	31 %	35 %	32 %	29 %
EBIT-margin before adj biomass	25 %	30 %	25 %	24 %
NIBD/EBITDA before adj biomass	1,7	2,3	1,7	2,3
ROCE before adj biomass	19,0 %	24,0 %	18 %	20 %
Equity ratio	45 %	45 %	45 %	45 %

OUTLOOK



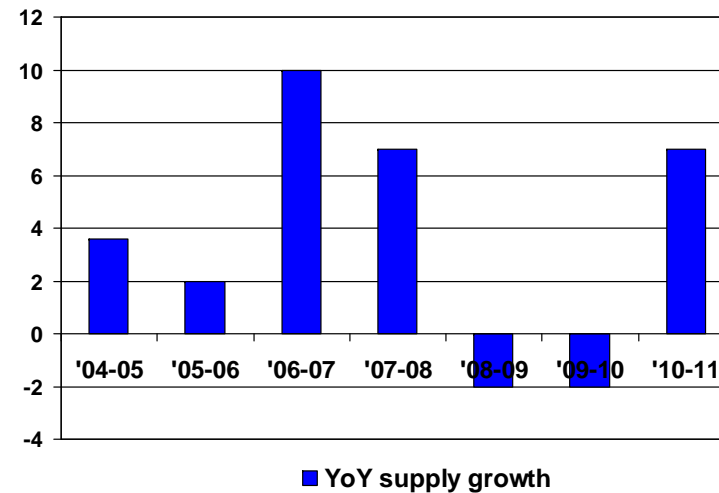
Harvest estimate and price hedging

Guiding 2011 (1,000 tons gwe)	Rogaland	Finnmark	BC	Shetland	GSF Group
Q1	2,5	4,0	2,4	3,0	11,9
Growth %	-39 %	-26 %	-38 %	-37 %	-34 %
Q2	4,7	4,3	2,3	3,0	14,3
Growth %	34 %	5 %	-13 %	-14 %	4 %
Q3	3,8	2,9	4,5	4,8	16,0
Growth %	131 %	-20 %	-7 %	6 %	10 %
Q4	5,0	6,8	4,3	5,2	21,3
Growth %	39 %	-11 %	81 %	22 %	19 %
Total	16,0	18,0	13,5	16,0	63,5
Growth %	25 %	-13 %	-1 %	-6 %	-1 %

- Q2 2011 volume 1 700 tons lower than previous guiding.
- 2011 volumes reduced with 1 500 tons, due to poor 2009 S0 generation in Shetland and rescheduled harvest plan in Canada.
- Price hedging level – Norway:
 - Q3 2011: 8%
 - Q4 2011: 17%

Supply outlook

- Growth in Norway slowing down YoY, but picking up in 2H 2011:
 - 2010: +15%
 - 2011: +3%
- Chile – Rebound in 2011 from low level, growth picking up from 2H 2011:
 - 2010: - 45%
 - 2011: +45%
- UK:
 - 2010: -2%
 - 2011: +6%
- Canada:
 - 2010: +3%
 - 2011: 0%



Outlook summary

- 2011 harvest volume of 63,500 tons, reduction of 1,500 tons.
- Higher supply growth in 2H 2011 and 2012.
- Price reduction expected to spur increased demand and market development activities, but with delay.
- Decreased costs in Shetland from start of new generation.
- Continued focus on operations, biological performance and initiatives to reduce average cost.
- New/extended credit facility expected to be concluded in Q3 2011.



Thank you !



APPENDIX

Share info

- Number of shares
 - 111.7 million (after full conversion of bonds in August 2009).

- Last issues: Q2 2009
 - 139 MNOK new share issue.

- Subordinated convertible bond issue: Q1 2009
 - 100 mill convertible at NOK 4.00 per share within 31.12.2010.
 - 85% converted in Q2 2009.
 - 15% converted in Q3 2009.

- EPS before adj biomass
 - 1,16 NOK/share Q2 2010.
 - 0,81 NOK/share Q2 2011.

- Shareholder structure
 - Largest 20 have 84.91% of total no. of shares.

Shareholders

	No. shares	%
GRIEG HOLDINGS	54 878 010	49,15 %
KONTRARI AS	10 400 000	9,31 %
ODIN NORGE	4 293 118	3,84 %
ODIN NORDEN	4 061 522	3,64 %
HARALD VOLDEN AS	3 100 560	2,78 %
DNB NOR SMB	2 975 000	2,66 %
YSTHOLMEN AS	2 880 769	2,58 %
REAL SALMON AS	1 641 243	1,47 %
OM HOLDING AS	1 551 622	1,39 %
SKANDINAVISKA ENSKILDA BANKEN	1 362 350	1,22 %
GRIEG SEAFOOD ASA	1 250 000	1,12 %
SKANDIA LIFE INSURANCE COMPANY LTD	968 000	0,87 %
MP PENJON PK	859 000	0,77 %
JP MORGAN CHASE BANK	836 297	0,75 %
GRIEG SHIPPING AS	824 565	0,74 %
METEVA AS	681 203	0,61 %
VERDIPAPIRFONDET PARETO NORDIC VAL	579 374	0,52 %
SKANDINAVISKA ENSKILDA BANKEN	560 423	0,50 %
JP MORGAN CHASE BANK	557 303	0,50 %
UBS AG, LONDON BRANCH	548 007	0,49 %
Total 20 largest shareholders	94 808 366	84,91 %
Total other	16 853 634	15,09 %
Total numbers of shares	111 662 000	100,00 %

Profit and Loss

All figures in NOK 1,000	Q2 2011	Q2 2010	YTD 2011	YTD 2010
Total operating income	567 819	581 476	1 077 102	1 200 410
Share of profit from joint venture	2 120	2 656	5 453	2 656
Change in inventories	54 937	52 924	75 988	-105 956
Raw materials and consumables used	-251 510	-241 695	-426 936	-383 699
Salaries and personnel expenses	-53 113	-54 634	-113 075	-109 964
Other operating expenses	-143 194	-136 446	-276 198	-257 020
EBITDA	177 059	204 281	342 334	346 426
Depreciation and amortisation	-33 553	-28 577	-66 579	-54 742
Depreciation and amortisation of licenses	-609	-649	-1 262	-1 276
Impairment adjustments on assets	0	0	0	0
EBIT before biomass adj	142 897	175 054	274 493	290 409
Fair value adj biological assets	-484 457	9 576	-345 373	254 092
EBIT after biomass adj.	-341 561	184 630	-70 881	544 500
Share of profit from ass. companies	424	5 350	25 750	5 707
Net financial	-14 180	-586	-24 999	-3 498
Profit before tax and biomass adj	129 141	179 818	275 244	292 617
Profit before tax	-355 316	189 394	-70 130	546 709
Estimated taxation	96 609	-50 900	25 795	-149 970
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