

Grieg
Seafood®

Q2
2011

Grieg Seafood ASA Second Quarter and Semi-annual Report 2011

Highlights – Second Quarter 2011 and Semi-annual Report 2011

- Strong salmon market in the first months of the year, followed by a significant decline in prices.
- Strong result in Norway in second quarter. Weak results in Canada and Shetland influenced by non-recurring events.
- EBIT before fair value adjustment of biological assets was MNOK 142.9 in second quarter 2010 (MNOK 175.1)
- EBIT before fair value adjustment of biological assets was MNOK 274.5 in the first half of 2011 (MNOK 290.4).
- Harvested volume in second quarter was 14 282 tons, an increase of 4.3%.
- Acquisition of Erfjord Stamfisk AS in Norway and 2 licenses in Shetland in first half of 2011.

Second quarter has been characterized by a change in the supply side from no supply growth to a strong increase in the supply on the EU market in second half of the quarter. First part of the quarter continued strongly with record high prices for salmon. The prices fell considerably in second part of the quarter to the lowest level in almost 2 years. The decline in prices of salmon has been supply-driven. Following a longer period with no supply growth there was a strong increase in the supply towards the EU market in second half of the quarter. This change in the supply growth caused sharply declining prices in the last half of the quarter. The supply growth happened earlier and stronger than expected and new market development initiatives have not equally quickly led to a corresponding demand growth.

Both of the two Norwegian regions show good earnings and good operational development. The result in Canada has been negatively affected by non-recurring events and disease on the freshwater side. The result for Shetland is also strongly marked by weak biological achievement on the generation that is harvested in the quarter.

In first half of the year operating result before fair value adjustment of biological assets fell from MNOK 290.4 in 2010 to MNOK 274.5 in 2011.

In second quarter the total harvested volume increased by in excess of 4% to 14 282 tons, while the harvested volume for the entire first half year was reduced by 17.7% to 26 161 tons.

Equity ratio was 45.3% (45.3%) at the end of second quarter 2011. Net interest bearing debt was MNOK 1 135 (MNOK 1 075) at the end of second quarter 2011. A dividend of NOK 1.35 per share was paid in the quarter.

Financial and operational development

Financial key figures – second quarter 2011

Key figures 2nd quarter 2011

	Rogaland (2)	Finnmark	BC - Canada	Shetland- UK	Other	Group
Sales revenue (MNOK)	185,5	153,3	108,4	121,7	-1,0	567,8
EBITDA (MNOK)	72,2	64,2	22,5	17,7	0,4	177,1
EBIT before fair value adj. ⁽¹⁾ (MNOK)	64,2	55,9	16,4	6,4	0,0	142,9
Harvest in tons, gwt	4 675	4 276	2 339	2 992		14 282
EBIT before fair value adj. ⁽¹⁾ NOK/kg	13,74	13,08	7,00	2,14		10,01

1) The calculation is based on EBIT before fair value adjustment of biological assets.

2) Rogaland included Erfjord Stamfisk AS

The group's sales revenues were MNOK 567.8 in second quarter, a reduction of 2.4% compared to the same period in 2010. The organic sales reduction exclusive of currency conversion effects constitutes 4,6%, including price reduction of 1,9% and volume reduction 2,7% compared to second quarter 2010.

Operating result before fair value adjustment of biological assets was MNOK 142.9 in second quarter 2011 compared to MNOK 175.1 in 2010. The two Norwegian regions show a good result, slightly better than the same period last year. The results in Canada and Shetland, however, are weak this quarter.

Prices of salmon further strengthened in the beginning of the quarter, but fell significantly throughout the last half of second quarter. After nearly two years of none or negative supply growth in the salmon market, the supply of salmon to the EU market increased significantly in second half of the quarter. The change in the market situation from no-growth to a two-digit relative supply growth over a short period of time, made a considerable change in the market dynamic. Lower growth in some of the important emerging markets has also contributed to large supply growth to the EU market. The possibilities of adjusting the harvesting in the period have been limited due to maturation and the need for fallowing of sites before new smolt releases. In an long period characterized by supply-side limitations, the industry's focus on market growth and development initiatives has been limited, and the change in the supply growth both came sooner and stronger than anticipated, while initiatives to grow and develop the demand side did not take place equally fast.

The result from fixed price contracts sale in the quarter has been relatively neutral.

Seawater production has in total been as expected for the group. The overall biological situation in Norway has been normal, while the results in Canada and Shetland have been negatively affected by biological non-recurring events.

Financial key figures – first half of 2011

Key figures per 30.06.2011

	Rogaland (2)	Finnmark	BC - Canada	Shetland - UK	Other	Group
Sales revenue (MNOK)	302,9	301,4	226,0	248,8	-1,9	1 077,1
EBITDA (MNOK)	117,8	115,3	58,6	49,2	1,4	342,3
EBIT before fair value adj. ⁽¹⁾ (MNOK)	102,1	99,2	46,2	26,5	0,5	274,5
Harvest in tons, GWT	7 153	8 249	4 719	6 040		26 161
EBIT before fair value adj. ⁽¹⁾ NOK/kg	14,27	12,02	9,80	4,38		10,49

¹⁾ The calculation is based on EBIT before fair value adjustment of biological assets.

²⁾ Rogaland included Erfjord Stamfisk AS

The Grieg Seafood group reduced the sales revenues by 10.3% to MNOK 1 077.1. The decrease in sales is a result of reduced volumes.

Operating result before fair value adjustment of biological assets was MNOK 274.5 in first half of 2011 compared to MNOK 290.4 in first half of 2010. The two Norwegian regions and Canada have improved their result per kilo harvested, while the result in Shetland has been weak in first half of 2011.

Rogaland

Operating result before fair value adjustment of biological assets was NOK 13.74 per kilo in second quarter 2011, a small increase from NOK 13.22 per kilo in the same period last year. The sale of roe has a certain positive influence on the margin in the quarter. The result of fixed price contracts has been relatively neutral in this quarter.

Seawater production in Rogaland has been good in second quarter 2011 and the biological situation has been normal with low lice levels. Grieg Seafood Rogaland has had PD (Pancreas Disease) on one site; however, this has not involved significant increase in mortalities.

The new recycling plant for smolt started production in the quarter and the first smolt releases from this plant will be in autumn 2011.

Finnmark

Operating result before fair value adjustment of biological assets in Finnmark was NOK 13.08 per kilo in second quarter 2011, compared to NOK 11.72 per kilo in the same period 2010. The improvement of result is due to lower costs, while realised prices have been slightly lower than the same period 2010. Fixed price contracts had a neutral effect on the result in this quarter.

Seawater production has been good in the quarter in spite seawater temperatures slightly below normal at the end of the quarter. The biological situation is normal in Finnmark and there are no challenges related to sea lice.

BC – Canada

The result in Canada is weaker than expected. A furunculosis outbreak in the hatchery has involved mortality and write-downs. In the period there has also been a minor algal mortality on the sea side. In total this reduces the result by NOK 3.8 per kilo in the quarter. The biological situation on the hatchery is now normalised. External agreements have been entered into for supply of fry/smolt.

Operating result before fair value adjustment of biological assets was NOK 7.00 per kilo in the quarter, compared to NOK 14.37 per kilo in the same period in 2010.

In second quarter realised prices have been slightly lower than in the first quarter. The prices on the American market remained higher than those in the European market throughout the quarter. July has, however, shown a corresponding strong decline in prices in the North American market.

About 10% of the sale in the quarter relates to Pacific salmon with lower profitability than that of Atlantic salmon.

Seawater production has been as expected in the quarter.

Shetland – UK

The result on Shetland is weaker than expected. Operating result before fair value adjustment of biological assets was NOK 2.14 per kilo in second quarter 2011 compared to NOK 14.24 per kilo in 2010.

The generation that has been harvested in the quarter has had clearly weaker result than expected, which has resulted in deviations at the end of the generation. The 2009 SO generation has suffered two unusually cold winters, and was also previously exposed to large predation issues. In addition there has been increased mortality on one site caused by heart and skeletal muscle inflammation (HSMI). This generation is harvested out at the end of July 2011. The next generation has shown good biological production and the cost level is expected to be reduced considerably in second half of 2011 compared to first half of 2011.

The seawater production has been weaker than expected both as a consequence of the challenges with the 2009 SO generation and lower seawater temperatures than normal on the whole.

Ocean Quality (sales Norway)

Ocean Quality had a result of MNOK 2.9 in second quarter 2011. This corresponds to an operating profit margin of 0.51%. The company was not operational at the same time last year. Ocean Quality obtained a result of MNOK 5.8 (0.57%) for the first half of 2011.

Price achievement was still difficult through parts of the quarter, but improved at the end of the quarter. Highly volatile prices have also resulted in variable earnings.

Establishment of organisation and preferred customer portfolio is an ongoing process. Ocean Quality has strengthened the organisation further towards the end of the quarter.

Key figures 2nd quarter 2011

Ocean Quality AS	Q2	YTD
Sales revenue (MNOK)	564,9	1 024,2
EBIT (MNOK)	2,9	5,8
Operating margin in %	0,51	0,57

Cash flow and financial situation

The Grieg Seafood group had a net cash flow from operations of MNOK 117.7 in second quarter 2011 and MNOK 331.9 throughout the first half of 2011. Investments in fixed assets amounted to a total of MNOK 211.5 in first half of 2011 and MNOK 100.3 in second quarter considered separately. The investments in first half include acquisition on Shetland and in Norway amounting to MNOK 63.6 in total.

Dividends of in total MNOK 150 have been paid in second quarter 2011. In second quarter Grieg Seafood purchased 1 250 000 own shares at rate 14.40 per share. After this purchase portfolio of own shares is 1 250 000 shares.

Net interest bearing debt was MNOK 1 135 at the end of the quarter compared to MNOK 1 075 at the same time last year. The company's gearing measured at net interest bearing debt to EBITDA the last four quarters is now 1.6. Equity ratio remains stable at 45 %, compared to the same period last year. The strong reduction of prices of salmon in the quarter has caused a significant reduction of fair value adjustment of biological assets. This has reduced the equity ratio and the values in the balance sheet

correspondingly, but does not have cash flow effect. Fair value adjustment of biological assets is an accounting adjustment of the biological assets at closing date in accordance with the market prices of salmon at closing date, and will fluctuate in line with the prices of salmon.

Grieg Seafood is in the final round of negotiations in regard to extension of loan facilities. The process will be concluded in the third quarter. The most important of the company's loan covenants is the ratio between net interest bearing debt and EBITDA in addition to equity ratio and absolute level of equity.

Result before tax was a loss of MNOK 70 for first half of 2011. This is due to a significant negative IFRS fair value adjustment of biological assets of MNOK -345. The fair value adjustment of biological assets follows the market prices of salmon and is an accounting effect without impact on the cash flow.

In first half of the year, Grieg Seafood acquired the remaining 51.3% of Erfjord Stamfisk AS at a price of MNOK 45. In addition a company holding two production licenses was acquired in Shetland in April 2011 at a total price of MNOK 19.2. The acquisitions provide a potential total harvesting volume of approximately slightly above 4 000 tons per year, in addition to Erfjord Stamfisk's sale of roe which comes to slightly less than 70 mill. pcs. of ova per year.

Key figures

Grieg Seafood Group	2Q 2011	2Q 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
EBITDA %	31,2 %	35,1 %	31,8 %	28,9 %
EBIT before fair value adj. %	25,2 %	30,1 %	25,5 %	24,2 %
Profit before tax and fair value adj. (TNOK)	129 141	179 818	275 244	292 617
Net interest bearing debt (TNOK)	1 135 221	1 075 067	1 135 221	1 075 067
Equity excl. fair value adj. (TNOK)	1 697 538	1 460 300	1 697 538	1 460 300
Equity ratio excl. fair value adj. %	44,8 %	41,6 %	44,8 %	41,6 %
Equity (TNOK)	1 712 009	1 809 946	1 712 009	1 809 946
Equity %	45,32	45,30	45,32	45,30
Basic earnings per share excl. fair value adj. (NOK)	0,81	1,16	1,84	1,89
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

Outlook

The strong salmon market continued in the beginning of second quarter. The prices in April were very good due to continued reduction in the global supply of salmon. Throughout second half of the quarter the prices of salmon fell sharply. This is explained by the change from no-growth to a double-digit relative supply growth to the EU market. The prices in USA also fell correspondingly, but slightly later than in Europe. The quick and significant change on the supply side shifted the market power between buyer and seller and the prices were forced down considerably through the latter half of the quarter.

The strong supply to in the EU market and the corresponding decline in prices in second quarter were unexpected. The supply growth was anticipated to emerge in second half of the year. Continued supply growth is expected in the global salmon market ahead. This is due to both the growth coming

from rebuilding the production in Chile, but also increase in other salmon farming regions. Norway is also expected to deliver in the second half of 2011.

The strong reduction in the prices of salmon has resulted in increased profitability in the distribution chain of salmon. This will lead to increased level of market activities for salmon, which again is expected to lead to increased demand in established markets.

In spite of both stronger and earlier fall in prices than expected, nothing has changed in the fundamental market and supply conditions for salmon. Rebuilding the production in Chile has been expected to cause a higher global supply growth than what has been seen in the last few years. The highest relative growth must be expected the first 1-2 years. At the same time the possibilities for supply growth from other fish farming regions remain limited. The utilization of capacity is high in other production regions and the prospects of significant capacity increase seem limited.

The demand for salmon turned out to be robust through the financial crisis in 2008/2009. In addition to the fact that the demand for food is more robust in relation to the macroeconomic development than other consumer goods, the demand for salmon is driven both by new food trends (e.g. sushi), the focus on healthy food and eating as well as increased distribution and penetration in important emerging markets.

If the financial turmoil that we have experienced the last few weeks develops to involve significant contraction of the global economic activity and consequently reduction in consumer demand globally, this may hit the demand for salmon in line with other consumer goods.

In recent years, Grieg Seafood has focused on improving profitability through improved operations. The group's most important improvement initiative is a larger investment program within smolt production, an investment providing good returns also based only merely on cost reductions on external purchases. Additionally, this is expected to become a significant driver behind biological production. The acquisitions in Scotland and Norway are also acquisitions involving important operational synergies which will contribute to a lower average cost. The focus on the implementation of these operational improvements will continue.

The strategy that has been initiated through the establishment of a new sales company is an important element for the establishment of preferred customer relations and for the operation of a more systematic sales and marketing development. This will be even more important at a time of supply growth than at a time of an evident supply shortage.

Grieg Seafood expects a harvest volume in 2011 of 63 500 tons. This is a reduction of 1 500 tons compared to previous guiding. The reduction is a consequence of the poor production performance of the 2009 S0 generation in Shetland and an alteration of the harvest plan in Canada. Changes in harvest volume may occur, both as a result of biological performance and market related or biological adjustments causing delays. In the third quarter of 2011, Grieg Seafood expects to harvest 16 000 tons, an increase of 10% from the same period in 2010. In the fourth quarter the expected harvest volume is therefore 21 300 tons, an increase of 19%.

A stop in harvesting in Norway in the third quarter will cause higher fixed costs per kilo in line with previous years. The underlying cost of fish harvested in Canada will increase slightly for the fish groups that scheduled to be harvested in second half of the year. This is due to production conditions originating from 1H 2010. On the other hand the Q2 result was negatively influenced by non-recurring events first and foremost within the freshwater production. The cost of fish harvested in Shetland is expected to be reduced considerably compared to second quarter.

Statement from the Board and Chief Executive Officer

We confirm to the best of our knowledge that the semi-annual accounts for the period 1 January to 30 June 2011 have been prepared in accordance with IAS 34 – Interim reporting, and that the information in the accounts give a fair and true view of the group’s overall assets, liabilities, financial position and result. We also confirm, to the best of our knowledge, that the semi-annual report gives a true and fair view of important events in the accounting period and their impact on the semi-annual accounts, the key risks and elements of uncertainty that the company faces in the next accounting period and material transactions with related parties.

Bergen, 16 August 2011

The Board of Directors of
Grieg Seafood ASA



Per Grieg jr.
Chairman



Asbjørn Reinkind
Vice-Chairman



Ingelise Arntsen
Board member



Terje Ramm
Board member



Wenche Kjølås
Board member



Morten Vike
CEO

Financial Accounts – Grieg Seafood Group

Accounting Principles

The accounts for the second quarter and half-year have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations approved by the EU, including IAS 34 – Interim Financial Reporting. The quarterly and half-year report does not contain all information required for a full annual report and should therefore be read in conjunction with the last annual report for the Group (2010).

The same principles and methods of calculation which were used in the last annual report (2010) have also been used in the preparation of this interim report. A detailed description of the accounting principles used can be found in the Annual Accounts for 2010. This report has not been subject to any external audit.

Income Statement / Unaudited

All figures in NOK 1,000

	2Q 2011	2Q 2010	YTD 2011	YTD 2010
Sales revenues	568 085	578 086	1 072 390	1 196 332
Other operating income	-266	3 391	4 711	4 078
Operating income	567 819	581 476	1 077 102	1 200 410
Share of profit from ass. companies and 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 of tangible assets	-33 553	-28 577	-66 579	-54 742
Amortisation of intangible assets	-609	-649	-1 262	-1 276
Impairment and reversal of impairments of intangible assets	0	0	0	0
EBIT before fair value adjustment of biological assets	142 897	175 054	274 493	290 409
Fair value adjustment of biological assets	-484 457	9 576	-345 373	254 092
EBIT (Operating profit)	-341 561	184 630	-70 881	544 500
Share of profit from ass. companies	424	5 350	25 750	5 707
Financial income	16 506	27 803	17 790	40 177
Financial expenses	-30 685	-28 389	-42 789	-43 675
Net financial item	-14 180	-586	-24 999	-3 498
Profit before tax and fair value adj. of biological assets	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
Profit after tax	-258 708	138 494	-44 335	396 739
Profit attributable to equity holders of the parent company	-258 708	138 494	-44 335	396 739
Basic earnings per share	-2,32	1,24	-0,40	3,55
Diluted earnings per share	-2,32	1,24	-0,40	3,55
Basic earnings per share excl. fair value adjustments	0,81	1,16	1,84	1,89
Diluted earnings per share excl. fair value adjustments	0,81	1,16	1,84	1,89

Statement of comprehensive income

All figures in NOK 1,000

	2Q 2011	2Q 2010	YTD 2011	YTD 2010
Profit for the period	-258 708	138 494	-44 335	396 739
Other comprehensive income:				
Currency translation	-10 482	31 914	-27 152	41 181
Other items	0	-43	0	-43
Total recognised income for the period	-10 482	49 574	-27 152	66 499
Total comprehensive income for the period	-269 190	188 068	-71 487	463 238
Profit attributable to minority interest	0	0	0	0
Comprehensive income to owners of the company	-269 190	188 068	-71 487	463 238

Balance Sheet

All figures in NOK 1,000

ASSETS	30.06.2011	30.06.2010
Goodwill	104 872	90 853
Licenses	974 516	844 668
Other intangible assets	3 773	4 368
Property, plant and equipment	996 575	904 438
Investments in associated and joint venture companies	30 607	21 980
Loans to associated companies	3 121	5 865
Available for sale financial assets	607	235
Non-current receivables	1 500	2 017
Total non-current assets	2 115 570	1 874 425
Inventories	65 978	52 076
Biological assets	1 220 969	1 086 361
Fair value biological assets	51 828	486 638
Accounts receivable	210 753	201 235
Other current receivables	42 054	56 014
Derivates and other financial instruments	23 203	0
Cash and cash equivalents	113 903	238 481
Total current assets	1 728 689	2 120 804
Total assets	3 844 259	3 995 229
EQUITY AND LIABILITIES	30.06.2011	30.06.2010
Share capital	446 648	446 648
Treasury Shares	-18 036	0
Retained earnings and other equity	1 313 590	1 363 299
Total equity	1 742 202	1 809 946
Deferred tax liabilities	517 896	486 379
Pension- and other obligations	5 945	4 785
Subordinated loans	17 654	17 029
Borrowings and leasing	777 349	881 312
Total non-current liabilities	1 318 844	1 389 505
Bank overdraft	360 000	310 842
Current portion of long term borrowings and leasing	118 118	88 073
Accounts payable	215 515	204 108
Tax payable	7 536	25 133
Accrued salary expense and public tax payable	48 870	56 781
Derivates and other financial instruments	0	25 228
Other current liabilities	33 174	41 357
Total current liabilities	783 213	795 778
Total liabilities	2 102 057	2 185 283
Total equity and liabilities	3 844 259	3 995 229

Changes in equity: Attributable to owners of the company

All figures in NOK 1,000

	2Q 2011	2Q 2010	YTD 2011	YTD 2010
Equity period start	2 180 172	1 649 691	1 982 405	1 374 421
Profit for the period	-258 708	138 494	-44 335	396 739
Comprehensive income for the period	-10 482	49 577	-27 152	66 499
Total recognised income for the period	-269 190	188 071	-71 487	463 238
Dividends	-150 744	-27 916	-150 744	-27 916
Purchase of treasury shares	-18 036	0	-18 036	0
Share option / expenses related to share issues (net of tax)	0	102	64	203
Total equity from shareholders in the period	-168 780	-27 814	-168 716	-27 713
Total change of equity in the period	-437 969	160 257	-240 203	435 525
Equity at period end	1 742 202	1 809 946	1 742 202	1 809 946

Cash flow statement

All figures in NOK 1,000

	2Q 2011	2Q 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
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
Change in other non-current receiveables	278	-63	812	-5 249
Cash flow from investments	-100 023	-47 474	-210 696	-102 888
Net changes in 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	-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

Adjusted operating EBIT for reportable segments

All figures in NOK 1,000

	2Q 2011	2Q 2010	YTD 2011	YTD 2010
EBIT before fair value adjustment	142 897	175 054	274 493	287 753
Fair value adjustment of biological assets incl. fair value of financial instruments	-484 457	9 576	-345 373	254 092
EBIT (Operating profit)	-341 561	184 630	-70 881	541 844
Income from associated companies	424	5 350	841	8 363
Exit associated company 1)	0	0	24 909	0
Changes in fair value from foreign exchange derivatives	-3 830	-11 286	5 165	-6 740
Net financial interest	-10 368	-13 127	-20 652	-29 160
Net currency gain (losses)	-111	23 678	-10 442	32 519
Dividends	20	0	20	0
Net other financial expenses /-income	109	149	909	-117
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

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 assess 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-gearred companies of the Group, as well as eliminations of intra-Group transactions.

2Q 2011	Rogaland 2)		Finnmark		BC - Canada		Shetland - UK		Other/ eliminations		Total	
	2Q 2011	2Q 2010	2Q 2011	2Q 2010	2Q 2011	2Q 2010	2Q 2011	2Q 2010	2Q 2011	2Q 2010	2Q 2011	2Q 2010
Revenues (TNOK)	185 471	138 661	153 294	160 940	108 359	134 208	121 741	144 288	-1 045	-686	567 819	581 489
Trading revenue (TNOK)			0	144 178					0	-144 190	0	-12
EBITDA (TNOK)	72 177	52 653	64 245	54 611	22 458	43 375	17 742	59 720	437	-6 080	177 059	204 281
EBIT before fair value adj. (TNOK)	64 236	46 340	55 921	47 776	16 368	37 931	6 390	49 491	-18	-6 484	142 897	175 054
EBITDA %	38,9 %	38,0 %	41,9 %	17,9 %	20,7 %	32,3 %	14,6 %	41,4 %			31,2 %	35,1 %
EBIT before fair value adj. %	34,6 %	33,4 %	36,5 %	15,7 %	15,1 %	28,3 %	5,2 %	34,3 %			25,2 %	30,1 %
EBIT/KG GWT 1	13,74	13,22	13,08	11,72	7,00	14,37	2,14	14,24			10,01	12,78
Harvest in tons, GWT	4 675	3 504	4 276	4 077	2 339	2 639	2 992	3 476	0	0	14 282	13 696
Trading in tons, GWT			0	3 484	0	0	0	0	0	-3 484	0	0

1) The calculation is based on EBIT before fair value adjustment of biological 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)	302 900	274 952	301 374	334 253	225 975	269 667	248 769	309 417	-1 916		1 077 102	1 192 367
Trading revenue (TNOK)				291 248					0	-283 205	0	8 043
EBITDA (TNOK)	117 788	95 763	115 333	109 572	58 597	49 169	49 194	103 780	1 422	-11 858	342 334	346 426
EBIT before fair value adj. (TNOK)	102 106	83 370	99 150	96 338	46 248	38 614	26 455	84 753	534	-12 666	274 493	290 409
EBITDA %	38,9 %	34,8 %	38,3 %	17,5 %	25,9 %	18,2 %	19,8 %	33,5 %			31,8 %	28,6 %
EBIT before fair value adj. %	33,7 %	30,3 %	32,9 %	15,4 %	20,5 %	14,3 %	10,6 %	27,4 %			25,5 %	24,0 %
EBIT %	19,3 %	39,8 %	27,0 %	22,9 %	38,3 %	62,4 %	17,6 %	44,0 %			25,2 %	45,1 %
EBIT/KG GWT (1)	14,27	10,99	12,02	10,15	9,80	5,96	4,38	10,31			10,49	9,06
Harvest in tons, GWT	7 153	7 586	8 249	9 488	4 719	6 481	6 040	8 221			26 161	31 776
Trading in tons, GWT			0	7 583					0	-7 583	0	0

1) The calculation is based on EBIT before fair value adjustment of biological assets

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

Biological assets

The accounting treatment of living fish by companies which apply IFRS is regulated by IAS Agriculture. IAS 41 comprises a hierarchy of methods of measurement for accounting purposes. Fair value of biological assets (fish in the sea) is based on market prices for gutted salmon and trout at the balance sheet date. The price is adjusted for quality differences (superior, ordinary and processed), together with cost of logistics. The volume is adjusted for gutting loss. The fair value of fish in the sea with an average weight below 4 kg. is based on the same principles, but the price is adjusted in proportion how far the growth cycle has come. The price is not adjusted to lower than cost unless a loss on future sales is expected.

Biological assets

	Tons		NOK 1,000	
	2Q 2011	YTD 2011	2Q 2011	YTD 2011
Biological assets - beginning of period	47 877	49 030	1 752 991	1 564 046
Currency translation			-13 001	-28 896
Increases due to purchases	0	0	0	0
Increases due to production	17 107	28 769	372 863	695 717
Increase due to company acquisitions	0	1 523	0	45 247
Decreases due to sales/harvesting/mortality	-17 899	-32 238	-332 633	-628 658
Fair value adjustment beginning of period	N/A	N/A	-537 943	-407 625
Fair value adjustment acquisitions			-21 307	-18 862
Fair value adjustment period end	N/A	N/A	51 828	51 828
Biological assets - end of period	47 085	47 084	1 272 798	1 272 798

Biological assets - status 30.06.2011	Number of fish (1.000)	Biomass (tons)	Cost of production	Fair value adjustment	Carrying amount
Smolt /brood	13 127	308	44 461	0	44 461
Biological assets with round weight < 4 kg	26 485	33 526	930 879	33 637	964 516
Biological assets with round weight > 4 kg	2 611	13 249	245 629	18 191	263 821
Total	42 223	47 083	1 220 969	51 828	1 272 798

Biological assets - status 30.06.2010	Number of fish (1.000)	Biomass (tons)	Cost of production	Fair value adjustment	Carrying amount
Smolt /brood	14 703	173	54 592	0	54 592
Biological assets with round weight < 4 kg (smolt not included)	25 161	33 291	826 131	336 902	1 163 033
Biological assets with round weight > 4 kg	2 224	10 715	205 638	149 737	355 375
Total	42 088	44 179	1 086 362	486 639	1 573 000

Acquisitions for 2nd quarter 2011

On April 26 2011, Grieg Seafood ASA' subsidiary Grieg Seafood Hjaltdland UK Ltd has entered into an agreement to acquire all the shares in Skelda Salmon Farms Limited and G Duncan Limited in Shetland. The acquisition price amounts to MGBP 2.19 (MNOK 19,2). The two companies together hold 2 production licenses / sites as well as farming equipment. The combined discharge consent of two sites is 2 100 tons, which corresponds to a harvest volume of approx. 2 300 tons gwe per generation. The two sites are currently not stocked, but will be stocked in the spring of 2012 in accordance with the Area Management Agreement of this production area. Fair value at acquisition date in the table below is the preliminary purchase price allocation.

Figures in NOK 1 000

	Book value at acquisition date	Excess values, prelim. allocation	Balance sheet values at time of consolidation
Goodwill	0	4 528	4 528
Licenses	556	15 274	15 830
Other fixed assets	301	1 628	1 929
Current assets	1 949	-76	1 874
Cash			
Total assets	2 806	21 354	24 160
Equity	1 717	17 532	19 249
Long term debt and liabilities	749	3 823	4 572
Current debt and liabilities	339	0	339
Total equity and liabilities	2 805	21 355	24 160

Acquisitions first half year 2011

Grieg Seafood ASA in addition to purchases in the second quarter, purchased the remaining 51.3% in Erfjord Stamfisk AS, which was completed in the first quarter of 2011. The purchase price of 51.3% was MNOK 45. The table below shows the effect of the two acquisitions completed in 2011.

Figures in NOK 1 000

	Book value at acquisition date	Excess values, prelim. allocation	Balance sheet values at time of consolidation
Goodwill	0	16 330	16 330
Licenses	1 386	54 274	55 660
Other fixed assets	23 224	1 628	24 852
Current assets	90 337	-76	90 262
Cash	573	0	573
Total assets	115 520	72 156	187 676
Equity	49 554	57 414	106 968
Long term debt and liabilities	36 454	14 743	51 197
Current debt and liabilities	29 511	0	29 511
Total equity and liabilities	115 519	72 157	187 676

Changes in goodwill

All figures in NOK 1,000

	2Q 2011	2Q 2010	YTD 2011	YTD 2010
Goodwill period start 01.01	102 224	87 697	90 540	87 583
Access goodwill	0		812	
Deferred tax on licenses from acquisition	2 753	2 849	13 743	2 849
Change in exchange rates	-105	307	-223	421
Goodwill period end 31.03	104 872	90 853	104 872	90 853

ASSOCIATED / JOINT VENTURE COMPANIES

	Acquisition cost	Book value 01.01.2011	Share of profit 30.06.2011	Other changes	Book value 30.06.2011
Ocean Quality AS	6 000	6 476	1 736	237	8 449
Finnmark Brønnbåtrederi AS	55	1 968	2 227		4 195
Bokn Sjøservice AS	506	5 902	277		6 179
Salmobreed	5 231	0	977	5 231	6 208
Isopo	523	0	0	523	523
Andel resultat klassifisert som drift	12 315	14 347	5 217	5 991	25 555
Salten Stamfisk AS	1 913	0	1 466	1 913	3 379
Cleanfish AS	1 500	1 300	-625	1 000	1 675
Andel resultat klassifisert egen linje etter driftsresultat	3 413	1 300	841	2 913	5 054

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

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 are provided on an arm's length basis.

Through our ownership of Erfjord Stamfisk AS, the Group has transactions with Grieg Cod Farming AS, which is owned by Grieg Holdings AS. Erfjord Stamfisk AS rents a commercial property from Grieg Cod Farming AS. The tenancy is regulated by an arm's length basis.

Shares controlled by board members and management:

	No. shares	Shareholding
Board of directors:		
Per Grieg jr. *)	58 815 734	52,67 %
Wenche Kjøllås (Jawendel AS)	7 000	0,006 %
Asbjørn Reinkind (Reinkind AS)	60 000	0,054 %
Ingelise Arntsen	0	0,00 %
Management:		
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)**	529 210	0,47 %
Total shares controlled by board members and management	58 972 734	52,81 %

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

Grieg Holdings AS	54 878 010
Grieg Shipping AS	824 565
Ystholmen AS	2 880 769
Grieg Ltd AS	217 390
Per Grieg jr. private	15 000
Total no. shares controlled by Per Grieg jr. and closely related	58 815 734

Share capital and shareholders

Share capital:

As of June 30, 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 sharecapital (TNOK)	Nominal value per share (NOK)	Total share capital (TNOK)	No. of ordinary shares
30.06.2011			4,00	446 648	111 662 000
17.06.2011	Purchased of treasury 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 30.06.2011 were:

	No. shares	Shareholding
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 PENSJON 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 %



Information about Grieg SeafoodASA

Head Office - Grieg Seafood ASA

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Office address	Grieg-Gaarden, C. Sundts gate 17/19 NO-5004 BERGEN
Tel.:	+47 55 57 66 00
Internet	www.griegseafood.no
Organisation no.	NO 946 598 038 MVA

Board of Directors - 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 2010	22.02.2011
First Quarter 2011	13.05.2011
Annual General Meeting	27.05.2011
Second Quarter 2011	16.08.2011
Third Quarter 2011	03.11.2011
Preliminary results 2011	15.02.2012