



Q2

2008

QUARTERLY REPORT
SECOND QUARTER
FIRST HALF YEAR

www.williesseafood.no

1. Grieg Seafood ASA - development in 2Q 08

The overall development of Grieg Seafood during the second quarter was as expected. The temporary setback in Finnmark during the first quarter was reversed from minus 3,9 NOK/kg to plus 2,90 NOK/kg.

Due to the higher production costs in all regions caused by increase in the prices of feed, energy and interest rates, the overall result for the company was not satisfactory. The cost increases will result in higher than expected production costs in the year classes to be harvested in 2008 and 2009.

The seawater production was hampered by lower temperatures, which negatively influenced growth in 3 of 4 regions, and will result in a 7% reduction in our harvest volumes, compared to previous guiding for 2008. The general health situation has improved, and mortality is lower than expected in 3 of 4 regions.

The infrastructure investments in smolt production facilities and new seawater production sites develop according to plan.

The salmon market in the second quarter has generally been good. Most salmon producers have experience reduced growth, and the market balance has improved. The present economic climate has so far not affected the demand for farmed salmon, which indicates that the higher production costs might be compensated in the marketplace.

The planned expansion in production capacity will continue as planned with increased focus on profitability in all regions. The speed of the expansion will be adjusted according to the regional operational performance to ensure that financing is within current credit facilities.

2. Highlights for the second quarter 2008

- Total sales revenues increased by 17% compared to the same period in 2007.
- Harvest of 12.722 tons gutted weight during the quarter.
- Seawater production of 12.800 tons during the second quarter is behind plan.
- Operating margin before fair value adjustments of MNOK 15,2.
- Investment programs according to plan.
- Harvest volume 2008 is adjusted to 56.000 tons, down 4.000 tons from previous guiding.
- Improved operating result in Finnmark.
- Disease situation in South Norway still unsettled but lower mortality and lower growth.
- PD vaccine will be effective on smolt entries in 2008 and onwards.
- Takeover of 10 new sea sites in Shetland with yearly production capacity of about 4.000 tons gutted weight.

3. Second Quarter Report

3.1. Financials - main results

Key figures 2nd Quarter 2008

	Rogaland	Finnmark	BC - Canada	Shetland- UK	Other	Group
Sales revenue (MNOK)	62,1	100,2	108,8	97,1	-25,0	343,3
EBITDA (MNOK)	5,2	14,0	15,7	6,8	-0,9	40,7
EBITA (MNOK) 2	-1,6	9,6	7,6	0,8	-1,2	15,2
Harvest in tonnes, GWT	2 377	3 340	3 669	3 336		12 722
EBITA NOK/kg 1	-0,68	2,89	2,07	0,23		1,19

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

2) EBITA is EBIT before fair value adjustment of biological assets.

The Group generated sales revenue of MNOK 343,3 in the second quarter, an increase of 17% from MNOK 291,6 (pro forma) in the second quarter of 2007.

Earnings before interest and depreciation (EBITDA) was MNOK 40,7 in the second quarter compared to MNOK 97,7 (pro forma) in the same period in 2007.

Hjaltland Seafarms Ltd (UK) was acquired on June 1st 2007, and is included from this date and onwards.

3.2. Operation and farming regions

Total company

The total company harvested 12.722 tons gutted weight during the second quarter of 2008. The realised EBIT before fair value adjustment was MNOK 15,2 equivalent to 1,19 NOK/kg. The low margin is mainly related to the fish health situation in Rogaland, the operational challenges in the other regions and generally the impact of higher feed and energy costs, which has increased the operational costs during the period.

The seawater production is expected to improve during the remaining of the year, but the harvest volume predictions for 2008 are reduced with 4.000 tons to 56.000 gutted weight

Rogaland

Harvest volume from Rogaland was 2.377 tons of salmon during the second quarter, and accumulated as per the first half year 3.362 tons. The (low) harvest volume is according to expectations and a consequence of the mortality on the 2006 generation caused by the Pancreas Disease (PD) outbreak in 2007. Realised operating profits (EBIT) before fair value adjustment in the second quarter was MNOK -1,6. Accumulated EBIT in the first half year of 2008 was MNOK 3,6. The unit result from the harvest of salmon during the second quarter was -0,68 NOK/kg.

The situation in Rogaland will remain influenced by the consequences of the outbreaks of PD in the region, and has caused more than normal mortality, but not any severe incidences. The disease situation cause higher operational costs mainly as a consequence of reduced growth rate, and generally higher unit costs for most cost items. This will continue to have a negative EBIT/kg impact in 2009.

The seawater production during the quarter continued less than planned, mainly caused by reduced feeding. The fish health situation is improving, and production is expected to improve during the second half of 2008. However, as a consequence of the reduced production during the first half year, our expected harvest volume guidance is reduced from 10.000 tons to 8.000 in 2008.

Finnmark

Harvest volume from Finnmark was in total 3,340 tons during the second quarter. EBIT during the second quarter was MNOK 9,6, which returns a unit margin of 2,89 NOK/kg. This was an improvement of about NOK 6.- pr kg compared to the first quarter this year.

The growth and general production of smolt and salmon has developed as planned, although higher feed prices will lead to higher production costs going forward. During May, we harvested fish groups with very low production costs, confirming our belief that the region can produce first rate products at competitive cost levels. The health situation in the region is good, and the mortality on the fish lower than expected.

Due to low sea temperatures, the production during the second quarter was only 2.573 tons, and will be behind plans for the full year, unless a substantial temperature increase appears. The main growth period is during second half year. We have reduced our expected harvest volume in 2008 to 16.000 gwe tons.

The expansion of the hatchery from 2 million up to 4 million smolt annually is progressing as planned, and will eventually supply about 80% of our smolt requirement in the Finnmark region. The remaining smolt supply is secured by long term contracts.

BC – Canada

Total harvest volume in the second quarter period was 3.669 tons. The operating result (EBIT) for the second quarter, before fair value adjustment, was MNOK 7,6 and unit EBIT was 2,07 NOK/kg.

Due to several lost feeding days during 2007, the cost of production increased substantially for the affected fish groups. These fish groups also have substantial quality problems leading to lower market prices. These negatively affected fish groups were fully harvested during May, and an improvement of production costs is expected going forward.

During May until July, we lost some biomass due to low dissolved oxygen, and this phenomenon will affect the total production and harvest for the year. The overall mortality is still below budget, as most other groups have developed normally.

The seawater production during the period is according to the plan, supporting the prognoses for harvest volumes of 16.000 tons for 2008.

The market price of salmon in the US market continued low into the second quarter, but improved towards the end of the period. The prices achieved for our Royal Canadian brand were still above reported market levels.

Shetland – UK

The total harvest during the second quarter was 3.336 tons gutted weight. The operating result (EBIT) for the period before fair value adjustment was MNOK 0,8. During the second quarter, unit EBIT margin was 0,23 NOK/kg.

The consequences of winter weather conditions continued to affect the seawater production into the second quarter of 2008. Production is hence still behind the plan as a result of generally low seawater temperatures and some temporary production and sea lice issues.

On April 10th 2008, Grieg Seafood Hjaltland acquired, seven farm licenses, farm as well as a farm with organic salmon for a total amount of MGBP 3,6 from the Joint Administrators of No Catch Limited (In Administration). In May, additional three licences were acquired at a total cost of GBP 967.000. The ten farm licences will increase the production capacity with about 4 000 tons gw yearly and give flexibility for a safer salmon production in the coming years

The opening of the new smoking plant is some months delayed, and will take place during the early autumn. Production of smoked products will gradually be introduced during the second half of 2008.

The harvest volumes estimate for 2008 remains at 16.000 tons.

4. Report for the first half year 2008 for Grieg Seafood Group

4.1 Summary first half year 2008

In the first half of 2008 the Grieg Seafood Group had consolidated sales revenues of MNOK 684,7. The Group operating profit (EBITA) was MNOK 18,0. This is a decrease compared to the same period last year which is mainly due to lower harvest volumes as a consequence the outbreaks of Pancreas Decease in 2007, lower market prices for Atlantic salmon and trout, and a lower biomass growth due to colder seawater and prolonged winter weather conditions which caused reduced feeding,

The general fish health situation has improved during the period, and we expect to see an improved production base going forward. Lower temperature and oxygen levels, have in some areas reduced and delayed the expected growth, reducing the overall expected harvest volumes guiding for the year.

The price increase on operational input factors such as feed, energy, salary levels and the sharp increase in interest rates, has increased the production cost for the period, and is expected to remain at a higher level going forward.

The overall market situation has improved during the summer, with higher prices than anticipated. The North American market for salmon remains strong despite the general depression in the US economy.

4.2 Financial summary

During the first half of 2008, the Grieg Seafood Group harvested 26 473 tons gutted weight, compared with 19 335 tons gutted weight in the first half of 2007. Operating revenue was MNOK 693,5, representing an increase from MNOK 465,8 for the same period in 2007. EBITDA for the first half year 2008 was MNOK 67,9 compared to MNOK 140, in the same period last year. Operating result before fair value adjustment of the biomass (EBITA) for the first half year 2008 was MNOK 18,0 compared with MNOK 110,2 in the first half year of 2007. The Group operating margin before fair value of the biomass (EBITA) was 2,6 % for the first half of this year compared with 23,7% first half of 2007.

Key figures per 30.06. 2008

	Rogaland	Finnmark	BC - Canada	Shetland- UK	Other	Group
Sales revenue (MNOK)	83,1	215,5	193,1	222,5	-29,4	684,7
EBITDA (MNOK)	16,5	-1,2	24,7	31,7	-3,8	67,9
EBITA (MNOK) 2	3,6	-10,5	8,9	20,2	-4,3	18,0
Harvest in tonnes, GWT	3 362	8 557	6 745	7 809		26 473
EBITA NOK/kg 1	1,07	-1,22	1,32	2,58		0,68

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

2) EBITA is EBIT before fair value adjustment of biological assets.

Key figures

	2Q 2008	2Q 2007 *	YTD 2008	YTD 2007 *
Total operating income (TNOK)	343 846	291 574	693 503	465 787
EBITDA (TNOK)	40 681	97 736	67 863	140 703
EBITA (TNOK) ¹	15 179	81 381	17 971	110 171
EBIT (TNOK)	96 904	-36 285	45 310	77 691
EBITDA %	11,8 %	33,5 %	9,8 %	30,2 %
EBITA % ¹	4,4 %	27,9 %	2,6 %	23,7 %
EBIT %	28,2 %	-12,4 %	6,5 %	16,7 %
Net profit (TNOK)	51 324	-16 708	-4 586	59 795
Net profit margin	14,9 %	-5,7 %	-0,7 %	12,8 %
Total assets (TNOK)	3 127 466	2 871 523	3 127 466	2 871 523
Net interest bearing debt (TNOK)	1 266 566	868 976	1 266 566	868 976
Equity (TNOK)	1 241 946	1 277 758	1 241 946	1 277 758
Equity ratio	39,7 %	44,5 %	39,7 %	44,5 %
Earnings per share continuing operations	0,67	-0,27	-0,06	1,13
Diluted earnings per share continuing operations	0,67	-0,27	-0,06	1,13
Number of shares at the beginning of the period ²	76 512 000	46 212 000	76 512 000	46 212 000
Number of shares at period end	76 512 000	76 512 000	76 512 000	76 512 000

¹The figures for 2007 are changed due to change in the acquisition analysis regarding allocation of excess values. See note 6.

¹) EBITA is EBIT before fair value adjustment biomass.

²) In the second quarter 2007, it has been a private placement of MNOK 600 and the IPO of MNOK 100. In the first quarter 2007 a share split is performed at ratio 1:250. Face value of the shares is reduced from NOK 1.000,- to NOK 4,- per share.

The value of live stock at sea is adjusted according to the IFRS accounting principles to fair market value. The adjustment of the value of the biomass is based on the average market price of week 27 in 2008 in line with our principle. Net changes of adjustments during the first half year of 2008 was MNOK 27,3.

The Group had net financial expenses of MNOK -53,5 for the first half year 2008 of which MNOK 11,6 is an unrealised currency loss. Net financial expenses in the same period in 2007 was -14,6. During the first half year of 2008 profits after tax was MNOK -4,6

Earnings per share (EPS) for the first half year 2008 was NOK -0,06, compared to the first half year 2007 earnings per share 1,13. The number of outstanding shares was 76 512 000.

As per June 30th 2008 Grieg Seafood had a net interest-bearing debt of MNOK 1.267 and an equity ratio of 39,7 percent. Net interest-bearing debt, has increased by MNOK 137 since the beginning of this year. The change in the Group net interest-bearing debt is mainly a consequence of the investments in operational fixed assets and acquisition of farming licenses in the Shetlands. The Group financial position remains good, with an equity ratio of 39,7 %. The change in equity in the first half year is MNOK -23,6, mainly due to currency exchanges differences.

The Group's total assets are MNOK 3.127,5 at the end of the first half year 2008. The biological assets accounts for MNOK 1.004 (32%) of the Group's total assets. Cash and cash equivalents accounts for MNOK 81,4. The book value of fish farming licenses was MNOK 872, which is an increase from the beginning of this year of MNOK 23,4, mainly as a consequence of the already mentioned acquisitions of ten farm licenses in the Shetlands during the Spring of 2008. The Group has now in total 104 licenses, 15 located in the South of Norway, 23 located in North of Norway, 21 located in Canada, British Columbia, and 45 licences on the Shetlands. In addition the company produce on two licenses in cooperation with two aqua culture schools in Norway.

Operating activities generated a positive cash flow of MNOK 105,5 in the first half year 2008. Investments during the period was MNOK -206,3 mainly in farming licences in the Shetlands, and in seawater farming equipment company wide. Financing activities of MNOK 157,9 is mainly from credit facilities entered into during January 2008.

Transactions between related parties in the first half year are based upon market prices. For more information, see note 2.

4.3 Important events, first half year of 2008

Acquisition of production licenses in Shetland and BC

On April 10th 2008, Grieg Seafood Hjaltland acquired seven farm licenses together with farm assets such as barges, boats and cages as well as a farm with organic salmon for a total amount of MGBP 3,6. In May, additional three licences were acquired at a cost of MGBP 0,9.

The ten farm licenses will increase the production capacity with about 4.000 tons gw yearly and give flexibility for a safer salmon production in the coming years.

The Canadian Department of Fisheries and Aquaculture awarded a new fish farming licence to GSF BC with a yearly capacity of about 2.000 tons.

Credit facilities

The new financing facility, entered into with a syndicate of four Norwegian banks in January 2008, is based on a multicurrency term loan of MNOK 800 and a multicurrency revolving credit of MNOK 500. As a part of the corporate financing agreement a short term borrowing facility of MNOK 100 to a Norwegian bank was replaced with a long term loan in June 2008. See note 7.

4.4 Key risk elements forward outlook

The group's operation will normally be associated with several elements of risk. The biomass represents the largest risk factor for Grieg Seafood together with the market price. The growth of salmon in the sea constitutes an exposure to environmental factors such as temperature changes, fluctuation in oxygen levels, contamination and disease risks. The industry has learned to live with these risks, which can constitute large changes in biomass valuation and production from quarter to quarter.

Lower production

Due to lower seawater temperatures last winter, the growth in most regions has been slower than expected. The health situation in two regions also affects a normal growth path. The health situation is presently back to normal in 3 of our 4 regions. In Rogaland, the outbreaks of Pancreas Disease are during the first half year characterized by a moderate to low rate of mortality, but cautious feeding as part of our health safety measures, has caused a lower growth than during normal conditions.

Political aspects

The market access to EU has changed. Both the minimum import price for salmon, and the import duty of 19,9% for salmon trout were removed. This constitutes a major breakthrough for free trade to our most important market.

4.5 The market situation

EU

The European markets kept up the good performance also through the second quarter of 2008, showing a total growth of 10% for Atlantic salmon for the first half year of 2008. The salmon trout market is expected to develop interesting opportunities going forward, both within the EU but also within other markets which have been growing while the EU market was effectively closed.

Japan

The consumption of Atlantic salmon is still weak, and is estimated to approximately 21 000 tons for the first half year of 2008. This is the lowest export volume of Atlantic salmon to Japan since 1998. The weak yen is still one of the key explanations for this development.

USA

USA has so far this year decreased their import of Atlantic salmon. The price of fresh whole salmon (primarily from Canada) is close to 2 USD higher than last year.

Russia

The Russian market shows very strong growth for salmon and trout through the second quarter, and the total for the first half year of 2008 is an approximate growth of 22 --23 % (65.000 tons of salmon and trout).

Norwegian exports

The export of salmon from Norway was steady with an increase of approximately 5% during the first half year of 2008. This is however lower than the previous estimate of 7% growth in exports (Kontali). During the first half year of 2008, fresh salmon from Norway to the French market grew by 9% (41.000- 44. 500 tons), Poland increased by 68% (18.000-30.500 tons) and Italy increased 52% (6.500-10.000 tons). Sweden grew by 11%, while Denmark dropped by 10.000 tons (-29%). Export to the UK decreased by 2.000 tons (11%).

Norway increased its exports to Russia by 17% (18.000-21.000 tons). Other significant markets like Japan decreased their import of fresh salmon from Norway by 16 % (- 1500 tons), whilst Hong Kong increased by 780 tons (+17%) and China increased 415 tons (+18%).

Exports of frozen salmon from Norway decreased by approximately 2.000 tons (-7%), Asia and Russia being the most important markets.

The value of total exports of salmon decreased slightly (-2%). Thus, prices are slightly lower for the first half of 2008 vs. 2007. However, during the spring and the summer, prices have increased in 2008 compared to 2007.

Increase in Norwegian exports of trout

The export of salmon trout from Norway was strong through the second quarter, and the total export of trout from Norway in the first half year of 2008 increased by 73% (25.000 – 43.000 tons). The export value for trout (all products) increased by 35% for the first half of 2008 vs. 2007.

Production and supply situation

Atlantic Salmon

Due to lower growth and increased harvest and sales through the first half year of 2008 vs. 2007, the Autumn 2006 generation has gradually been reduced to a lower biomass compared to last years Autumn 2005 generation.

The Spring 2007 generation is greater in numbers compared to last years Spring 2006 generation, however the lower growth this season and the worst ever disease situation in the salmon industry seems to result in lower average gutted weight and an overall lower yield.

To complete the picture, the supply from Chile is expected to decrease for the second half of 2008. Despite the production problems in Chile, their exports in the first half year of 2008 have increased

compared to 2007. However these extra volumes from Chile will most likely result in less available volumes for the second half of 2008.

4.6 Harvest volumes

Due to lower than expected growth in 3 of 4 regions, we have adjusted our harvest forecasts as follows:

<i>Tonnes</i>	Total current estimate	Rogaland	Finnmark	Hjaltland (Shetland)	BC (Canada)
2007 actual	40 472	11 591	7 651	12 727	8 503
2008 estimate	56 000	8 000	16 000	16 000	16 000

The estimates are based on no major deviation from plans, and normal sea temperatures for the remaining period.

Overall, we expect the growth in global supply to increase with about 4% in 2008 compared to 2007.

5. Outlook

Grieg Seafood has during its first year as a public company continued to grow by developing organic production in all four business regions, and by acquisition of licences in the Shetlands. The main milestones in our investment program have been met. The increase in price of raw materials such as fish feed, energy, labour costs and interest, has increased our production costs, and is expected to remain at a higher level than previous years.

Based on our present plans and our present production, we believe that the ambitious operational and organic growth targets can be reached by 2010. However, if the lower than anticipated operating profit level will continue, adjustments in the expansion plan will have to be done, to keep within available financial limits.

Market balance

The present supply and demand balance seems reasonably good, with positive margins in all our regions, and both in the short term and longer term (2009) seems to sustain these price levels. The production difficulties in Chile, and lower temperatures in Norway, will reduce the supply to match the slight growth rate decline in consumer demand. The demand for salmon seems to increase in most major markets, as consumers become aware of the taste and healthy aspects of our products.

Financials

The company carefully monitor the financial development, and in particular the requirement of cash flow. Based on current outlooks the financial resources will support the operational growth plan. In the case that the situation of reduced operational cash flow prevails, the group has a number of alternatives to reduce capital tied up in live stock assets, receivables and other measures. The financial agreement entered into with the syndicate of four banks has covenants which must be met by 1.1.2009. Based on the present market situation and production forecasts, the Board of Directors believe that the company will comply with the financial covenants by the end of this year.

Organisation


As Grieg Seafood now enters a new phase, where the overall priority will be on utilising the important organic growth potential in a cost efficient way, Morten Vike has now taken the role as CEO from August this year. Mr Vike has many years of top management experience from international food industry and brand building in Rieber & Son (TORO and VITANA). The Board would like to thank Per Grieg jr. for his contribution in building Grieg Seafood into a leading salmon farmer.

Responsibility Statement

We confirm, for the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2008 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group’s assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Bergen, August 27th, 2008


The Board of Directors of Grieg Seafood ASA



Helge Nielsen
Chairman



Harald Ingebrikt Volden
Vice-chairman



Terje Ramm
Board member



Anne Grete Ellingsen
Board member



Siri Hamnvik
Board member



Morten Vike
CEO

7. Financial details Grieg Seafood Group

Income Statement / Unaudited All figures in NOK 1.000

	2Q 2008	2Q 2007 *	YTD 2008	YTD 2007 *
Sales revenues	343 298	249 965	684 698	423 846
Other operating income	548	41 609	8 805	41 941
Total operating income	343 846	291 574	693 503	465 787
Change in inventories	10 943	137 191	-36 276	163 956
Raw materials and consumables used	-192 086	-268 476	-353 992	-375 970
Salaries and personnel expenses	-39 328	-27 494	-79 447	-52 543
Other operating expenses	-82 694	-35 059	-155 925	-60 526
EBITDA before fair value adjustment of biological assets	40 681	97 736	67 863	140 703
Depreciation and amortisation	-25 236	-16 356	-49 346	-30 533
Amortisation of licenses	-266		-546	0
EBITA before fair value adjustment of biological assets	15 179	81 381	17 971	110 171
Fair value adjustment of biological assets	81 725	-117 666	27 339	-32 480
EBIT operating profit	96 904	-36 285	45 310	77 691
Financial income	1 922	7 696	17 945	8 367
Financial expenses	-28 395	-13 182	-71 406	-22 961
Profit before tax	70 431	-41 771	-8 151	63 097
Estimated taxation	-19 107	25 063	3 565	-3 302
Profit for the period, continued operations	51 324	-16 708	-4 586	59 795
Profit from discontinued operations	0	0		
Net profit in the period	51 324	-16 708	-4 586	59 795
Profit to minority interests	0	-2 352		782
Profit attributable to equity holders of the parent company	51 324	-14 356	-4 586	59 013
Earnings per share continuing operations	0,67	-0,27	-0,06	1,13
Earnings per share continuing operations - diluted	0,67	-0,27	-0,06	1,13

*)The figures for 2007 are changed due to change in the acquisition analysis regarding allocation of excess values. See note 6.

Grieg Seafood Hjalmland AS (former Hjalmland Seafarms AS) is included in the figures from June 2007.

Balance Sheet / Unaudited

All figures in NOK 1.000

ASSETS	30.06.2008	31.12.2007 *
Goodwill	132 991	138 661
Licenses and other intangible assets	878 989	849 072
Property, plant and equipment	747 930	639 092
Investments in associated companies	11 998	10 879
Loans to associated companies	2 897	2 897
Available for sale financial assets	178	156
Non-current receivables	9 871	10 275
Total non-current assets	1 784 854	1 651 032
Inventories	41 715	34 927
Biological assets	1 003 838	1 067 574
Accounts receivable	169 521	111 893
Other current receivables	46 132	84 569
Cash and cash equivalents	81 406	24 318
Total current assets	1 342 612	1 323 280
Total assets	3 127 466	2 974 313
EQUITY AND LIABILITIES	30.06.2008	31.12.2007
Share capital	306 048	306 048
Share premium fund	811 120	811 120
Other reserves	128 087	91 459
Retained earnings	-3 309	56 920
Minority interest		
Total equity	1 241 946	1 265 547
Deferred tax liabilities	268 720	281 064
Pension obligations	4 517	4 369
Subordinated loans	12 177	9 800
Borrowings	797 586	563 484
Financial leasing liabilities	180 544	123 352
Other non-current liabilities	6 009	19 096
Total non-current liabilities	1 269 553	1 001 165
Bank overdraft	343 140	337 957
Current portion of long term borrowings	20 680	76 184
Current portion of financial leasing liabilities	29 932	52 498
Accounts payable	172 179	197 356
Tax payable	3 664	9 402
Accrued salary expense and public tax payable	6 889	8 619
Other current liabilities	39 483	25 585
Total current liabilities	615 967	707 601
Total liabilities	1 885 520	1 708 766
Total equity and liabilities	3 127 466	2 974 313

Cash flow statement

All figures in NOK 1.000

	YTD 2008	YTD 2007
Cash flow from continued operations	105 467	64 631
Cash flow from discontinued operations	0	
Net cash flow from operating activities	105 467	64 631
Cash flow from continued operations	-206 269	-663 991
Cash flow from discontinued operations		
Net cash flow from investing activities	-206 269	-663 991
Cash flow from continued operations	157 890	765 877
Cash flow from discontinued operations		
Net cash flow from financing activities	157 890	765 877
Net change in cash and cash equivalents	57 088	166 517
Cash and cash equivalents at beginning of the period	24 318	12 692
Cash and cash equivalents at the end of the period	81 406	179 209

Changes in equity

All figures in NOK 1.000

	YTD 2008	YTD 2007
Equity period start	1 265 547	579 254
Profit for the period	-4 586	59 795
Currency translation differences	-19 657	1 686
Other gains and losses charged directly to equity	-563	-13 675
Total gains and losses charged directly to equity	-20 220	-11 989
Total recognised income for the period	-24 806	47 806
Dividends		
Purchase of minority shareholders		-25 850
New equity from cash contributions and contributions in kind		696 663
Expenses related to share issues (net of tax)	1 205	-20 115
Total equity from shareholders in the period	1 205	650 698
Total change of equity in the period	-23 601	698 504
Equity at period end	1 241 946	1 277 758

NOTE 1 GENERAL ACCOUNTING POLICIES

General

The consolidated financial second quarter statements for Grieg Seafood ASA has been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU, including IAS 34 – Interim financial reporting. The accounting principles used has been described in the annual report for 2007. All figures are unaudited, except year end figures (last year).

Application of estimates

The preparation of accounts in compliance with generally accepted accounting principles in some cases requires the management to apply estimates and assumptions. The estimates are based on historical experience and assumptions that management consider reasonable and prudent. The estimates and valuations on which decisions are based affect the recognised amounts of assets, debts and liabilities, as well as income and cost in the accounts. Actual results may subsequently differ to some extent from the estimates and assumptions.

The same estimates and assumptions that were described in the annual report for 2007, have been applied while preparing the second quarter accounts for 2008.

NOTE 2 RELATED PARTIES

The Group has some relationship with companies which are controlled by Grieg Seafood majority owner, Grieg Holdings AS. Grieg Seafood ASA offices are rented from Grieg Gaarden KS. Services in relation to salary and information technology are delivered by Grieg Group Resources AS. All services are provided on an arm's length basis. The total cost from related parties has been charged with MNOK 2,4 in this period.

In connection with the refinancing of the loan portfolio for Grieg Seafood ASA the guaranty for MNOK 40 from Grieg Maturitas Group are terminated.

The Board and management are related parties. See note 3 about shares controlled by the Board members and management.

The Company has issued options to the management group. It is granted total 1 400 000 options per 30.06.2008. 1 100 000 option was granted 29.06.2007 with expiration date 29.06.2010. There are no options which are exercise per 29.06.2007. 300.000 options were issued 01.06. 2008 to Morten Vike, taking place at the same time 300 000 options to Per Grieg jr was called back.

The total cost of share-based payment has been charged against income statement with a figure of MNOK 1,2 and is classified as personnel expenses in the profit and loss account. Black & Scholes option pricing models are used for valuation.

NOTE 3 SHAREHOLDERS – RELATED PARTIES

On 21st June 2007 Grieg Seafood ASA was listed at Oslo Stock Exchange. At 30.06.08, total number of shares outstanding was 76.512.000 and the share price was NOK 4,00 per share.

Earnings per share see Key figures for information.

Shares controlled by Board members and management is per 30.06.2008 48.151.300 shares, 62,93%.

NOTE 4 SEGMENT INFORMATION

Grieg Seafood ASA's primary format for reporting segment information is geographical segments that are based on location of assets. The Group divides its activities into four geographical segments, Rogaland, Finnmark, BC-Canada and Shetland-UK. There is no difference between the Group's geographical segments based on the location of assets and location of customers. Sales revenue UK are also comprise sales from value added product.

The Group's secondary format for reporting segment information is business segment. The Group has only one business segment; production of farmed salmon and trout.

2Q 2008	Rogaland		Finnmark		BC - Canada		Shetland - UK		Other / Eliminations		Total	
	2Q 08	2Q 07	2Q 08	2Q 07	2Q 08	2Q 07	2Q 08	2Q 07	2Q 08	2Q 07	2Q 08	2Q 07
External revenues (TNOK)	62 142	98 611	75 312	64 678	108 832	63 594	97 065	22 579	0	504	343 351	249 965
Trading revenue (TNOK)			24 935						-24 988		-53	
EBITDA (TNOK)	5 188	24 251	13 960	7 564	15 655	19 301	6 798	4 629	-919	41 991	40 682	97 736
EBITA (TNOK)	-1 605	21 004	9 645	2 878	7 608	11 173	774	2 988	-1 243	43 338	15 180	81 381
EBITA Proforma(TNOK) 2	-1 605	21 004	9 645	2 878	7 608	11 173	774	12 643	-1 243	41 757	15 180	89 455
EBIT (TNOK)	1 154	-24 590	17 843	-45 629	58 723	-28 853	20 933	19 431	-1 748	43 355	96 905	-36 285
EBITDA %	8,3 %	24,6 %	18,5 %	11,7 %	14,4 %	30,4 %	7,0 %	20,5 %			12,9 %	39,1 %
EBITA % 2)	-2,6 %	21,3 %	12,8 %	4,4 %	7,0 %	17,6 %	0,8 %	13,2 %			4,8 %	32,6 %
EBIT %	1,9 %	-24,9 %	23,7 %	-70,5 %	54,0 %	-45,4 %	21,6 %	86,1 %			30,8 %	-14,5 %
EBITA/KG GWT 1	-0,68	5,74	2,89	1,03	2,07	5,67	0,23	4,69			1,19	8,98
EBITA/KG GWT proforma	-0,68	5,74	2,89	1,03	2,07	5,67	0,23	6,24			1,19	8,56
Harvest in tonnes, GWT	2 377	3 658	3 340	2 794	3 669	1 971	3 336	637			12 722	9 059
Harvest in tonnes, GWT Proforma	2 377	3 658	3 340	2 794	3 669	1 971	3 336	2 029			12 722	10 452
Production in tonnes, round weight	2 054	2 570	2 573	1 688	5 293	4 257	2 857	1 387			12 777	9 901

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

2) EBITA is EBIT before fair value adjustment of biological assets

YTD 2008	Rogaland		Finnmark		BC - Canada		Shetland - UK		Other / Eliminations		Total	
	YTD 08	YTD 07	YTD 08	YTD 07	YTD 08	YTD 07	YTD 08	YTD 07	YTD 08	YTD 07	YTD 08	YTD 07
Eksternal revenues (TNOK)	83 081	158 015	184 930	123 494	193 068	119 254	222 526	22 579	0	504	683 605	423 846
Trading revenue (TNOK)			30 535						-29 442		1 093	0
EBITDA (TNOK)	16 502	41 434	-1 195	14 608	24 676	37 836	31 726	4 629	-3 845	42 197	67 864	140 703
EBITA (TNOK) 2)	3 611	32 132	-10 458	7 173	8 913	24 406	20 162	2 988	-4 257	43 472	17 971	110 171
EBITA Proforma(TNOK) 2	3 611	32 132	-10 458	7 173	8 913	24 406	20 162	29 766	-4 257	41 890	17 971	135 367
EBIT (TNOK)	-7 490	19 482	-13 781	-21 100	51 018	16 389	19 821	19 431	-4 257	43 489	45 311	77 691
EBITDA %	19,9 %	26,2 %	-0,6 %	11,8 %	12,8 %	31,7 %	14,3 %	20,5 %			9,9 %	33,2 %
EBITA % 2)	4,3 %	20,3 %	-4,9 %	5,8 %	4,6 %	20,5 %	9,1 %	13,7 %			2,6 %	26,0 %
EBIT %	-9,0 %	12,3 %	-6,4 %	-17,1 %	26,4 %	13,7 %	8,9 %	86,5 %			6,6 %	18,3 %
EBITA/KG GWT 1	1,07	5,57	-1,22	1,36	1,32	7,05	2,58	4,86			0,68	7,27
EBITA/KG GWT proforma (UK)	1,07	5,57	-1,22	1,36	1,32	7,05	2,58	6,19			0,68	7,00
Harvest in tonnes, GWT	3 362	5 769	8 557	5 279	6 745	3 461	7 809	637			26 473	15 146
Harvest in tonnes, GWT Proforma	3 362	5 769	8 557	5 279	6 745	3 461	7 809	4 826			26 473	19 335
Production in tonnes, round weight	3 916	6 134	5 016	3 728	9 292	7 125	5 347	1 387			23 571	18 374

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

2) EBITA is EBIT before fair value adjustment of biological assets

NOTE 5 BIOLOGICAL ASSETS

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

Biological assets

	Tons			NOK 1.000		
	2Q 2008	YTD 2008	2007	2Q 2008	YTD 2008	2007
Biological assets - beginning of period	41 119	47 021	22 975	919 737	1 067 574	551 637
Currency translation				-5 328	-53 754	-19 167
Increases due to purchases	767	970	525	59 472	78 467	56 437
Increases due to production	12 972	23 571	53 405	210 531	412 259	878 781
Increase due to company acquisitions	0	0	13 469	0	0	379 764
Writedown due to irregular mortality/esc (-)	0	0	0	2 741	-12 500	-35 720
Decreases due to sales/harvesting	-15 353	-32 057	-43 353	-263 414	-514 461	-712 710
Fair value adjustment beginning of period	N/A	N/A	N/A	-72 460	-126 307	-84 826
Fair value adjustment acquisitions				0	0	-74 170
Fair value adjustment period end	N/A	N/A	N/A	152 560	152 560	127 549
Biological assets - end of period	39 505	39 505	47 021	1 003 838	1 003 838	1 067 574

	Number of fish (1.000)	Biomass (tons)	Cost of production	Fair value adjustment	Carrying amount
Biological assets status 30.06.2008					
Smolt	16 544	121	32 766	0	32 763
Biological assets with round weight < 4 kg	22 518	20 014	503 177	44 355	547 533
Biological assets with round weight > 4 kg	5 100	19 370	315 337	108 205	423 542
Total	44 162	39 505	851 280	152 560	1 003 838
Biological assets status 30.06.2007					
Smolt	7 594	45	24 501		24 501
Biological assets with round weight < 4 kg	21 121	27 677	630 911	103 100	734 010
Biological assets with round weight > 4 kg	1 875	9 164	153 952	36 365	190 315
Total	30 591	36 886	809 364	139 465	948 829
Biological assets - status 31.12.07					
Smolt	21 900	143	40 165	0	40 165
Biological assets with round weight < 4 kg (smolt not included)	20 375	26 036	566 908	52 376	619 283
Biological assets with round weight > 4 kg	3 534	20 842	332 953	75 173	408 126
Total	45 809	47 021	940 026	127 548	1 067 574

NOTE 6 SIGNIFICANT ACQUISITIONS

On April 11, Grieg Seafood entered into an agreement with the shareholders of Hjaltdland Seafarms to acquire all shares in the company. Fair value at acquisition date (June 4, 2007) in the table below is the purchase price allocation. It has been a change of allocation of excess values from goodwill to other intangible assets. This increases the depreciation with TNOK 766 for 2007, and for the period Q2 with TNOK 109.

Figures in NOK 1.000

	Book value at acquisition date	Excess values, prelim. allocation	Balance sheet values at time of consolidation
Goodwill	0	24 969	24 969
Licenses	188 249	141 751	330 000
Other intangible assets - Sales organisation	0	7 880	7 880
Other fixed assets	90 520	41 816	132 336
Current assets	352 198		352 198
Total assets	630 967	216 416	847 383
Equity	316 143	163 710	479 853
Long term debt and liabilities	240 653	52 706	293 359
Current debt and liabilities	74 171	0	74 171
Total equity and liabilities	630 967	216 416	847 383

NOTE 7 REFINANCING OF DEBT

Grieg Seafood ASA entered into a corporate financing agreement in January 2008 to refinance debt and secure financing of the organic growth plan. The new financing facility is based on a multicurrency term loan of MNOK 800 and a multicurrency revolving credit of MNOK 500. As a part of the corporate financing agreement a short term borrowing facility of MNOK 100 to a Norwegian bank was replaced with a long term loan in June 2008.

The company has in addition entered into leasing agreements, mainly to finance purchases of production equipment.

NOTE 8 PRO FORMA INCOME STATEMENT

Pro forma Income Statement		
<i>All figures in NOK 1.000</i>		
	2Q 2007	YTD 2007
Sales revenue	300 335	570 622
Other operating income	41 608	41 941
Total operating income	341 943	612 563
Change in inventories	165 309	189 445
Raw materials and consumables used	-313 006	-462 255
Salaries and personnel expenses	-35 881	-71 280
Other operating expenses	-49 430	-94 851
EBITDA before fair value adjustment of biological assets	108 935	173 622
Depreciation and amortisation	-19 479	-38 254
Impairment and reversal of impairments of fixed assets	0	
EBIT before fair value adjustment of biological assets	89 455	135 368
Fair value adjustment of biological assets	-133 977	-27 369
Operating profit	-44 522	107 999
Income from associated companies	8 218	8 889
Other net financial items	-16 456	-30 551
PBT (profit before tax)	-52 760	86 337
Income tax expense	17 939	-10 001
Profit for the period, continued operations	-34 821	76 336
Profit from discontinued operations	0	
Net profit in the period	-34 821	76 336

Pro forma financial information

Pro forma financial information (income statement) has been presented to illustrate the main effects that the acquisition of Grieg Seafood Hjaltdland would have had if the acquisition has been implemented with effect from January 1, 2007. Hence, pro forma income statements have been prepared for the half year 2007 and second quarter 2007. The pro forma financial information is prepared for illustrative purposes only. For more information, see Q2 2007 and annual report for 2007.

Other acquisitions - not included in the pro forma financial information

In April 2008, Hjaltdland seafarms Ltd bought the shares in No Catch Site Management LTD and Johnson Seafarm Ltd to acquire all shares. Company's own totalt 7 licenses for farming. The total acquisition cost was MGBP 2,3. In May all the shares in Collafirth Salmon Ltd were acquire. Total acquisition cost for 3 licenses for farming was GBP 962.000

In February 2007, Grieg Seafood entered into an agreement with owners of Target Acquaculture to acquire all shares in Target Acquaculture, a Canadian fish farming company with 8 licenses for farming of salmon. The acquisition cost was MCAD 20,0.

In June 2007 Grieg Seafood Hjaltdland UK Ltd bought the shares in North Atlantic a fish farming company with 2 licenses (converted to volume of Norwegian licenses) for farming of salmon.

Because of the relatively small size of the businesses acquired, pro forma figures are not prepared.



Information about the Grieg Seafood Group

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Telephone	+ 47 55 57 66 00
Internet	www.griegseafood.no
Organisation number	NO 946 598 038 MVA

Board of directors in Grieg Seafood ASA

Helge Nielsen	Chairman
Harald Ingebrikt Volden	Vice-chairman
Terje Ramm	Board member
Anne Grete Ellingsen	Board member
Siri Hamnvik	Board member

Group management

Morten Vike *)	Chief executive officer
Ivar Kvangardsnes	Executive vice president
Eirik Bloch Haugland	Chief financial officer
Terje Moss	Project director
Michael Stark	Regional director
Peter Gibson	Regional director
Alexander Knudsen	Regional director
Håkon Volden	Regional director

*) Morten Vike took up the position as of 01.08.08.

Financial calendar

Preliminary results 2007	27.02.2008
Annual General meeting	08.05.2008
First quarter	22.06.2008
Second quarter	28.08.2008
Third quarter	20.11.2008
Preliminary annual result 2008	26.02.2009

Dates are given with reservations in case of changes.