SALMAR

ANNUAL REPORT 2007

This is SalMar

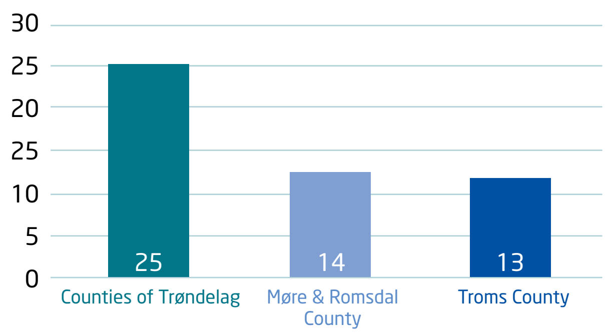
SalMar is a leading Norwegian producer of farmed salmon. The company operates licenses in Central Norway and in Northern Norway. SalMar also owns 50% of Scottish Sea Farms, the UK's second largest producer of salmon, and operates a comprehensive VAP activity at the company's main office at Frøya in Sør-Trøndelag, Central Norway.

SalMar Central Norway
- SalMar Farming AS with subsidiaries
- SalMar Processing AS
- Follasmolt AS

SalMar Northern Norway
- Senja Sjøfarm AS with subsidiaries

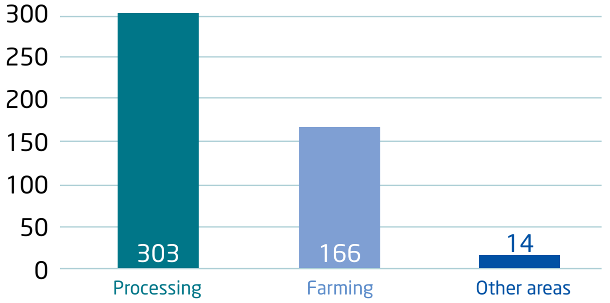
Norskott Havbruk AS (50%)
- Scottish Sea Farms Ltd.

Geographical distribution of SalMar's 52 farming licenses in Norway



Harvest volume by geography

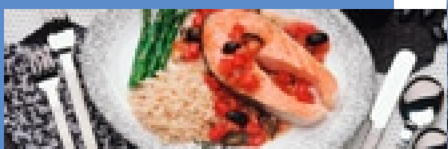
Employees by activity



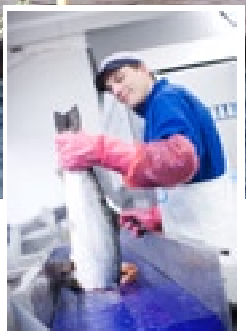
Financial calendar 2008

February 28th	Presentation of Q4 and preliminary results for 2007
April 29th	Presentation of Q1 2008
August 13th	Presentation of Q2 2008
October 31st	Presentation of Q3 2008
May 21st	Annual general meeting. 14.00 p.m. in Trondheim

Please note that the calendar is subject to change and will be updated on the company's website if any changes occur.



SalMar had 52 licenses for farming of Atlantic salmon in Norway in 2007



SalMar harvested 52 200 tonnes gutted weight in Norway in 2007

Europe and Russia are the main markets for salmon from SalMar

HIGHLIGHTS 2007

KEY FIGURES

54 % increase in harvested volumes

34 % increase in revenues

46 % equity share

24 % operating margin (before fair value adjustment of biomass)

STOCK MARKET LISTING

SalMar was listed on Oslo Stock Exchange on the 8th of May 2007. Through the listing the company raised NOK 116,6 million in proceeds from the issue of 3 million shares and gained better access to capital markets. At the time of the listing the company's shares were quoted at NOK 39 pr share. The share price at the end of the year was NOK 44.

TRANSACTIONS

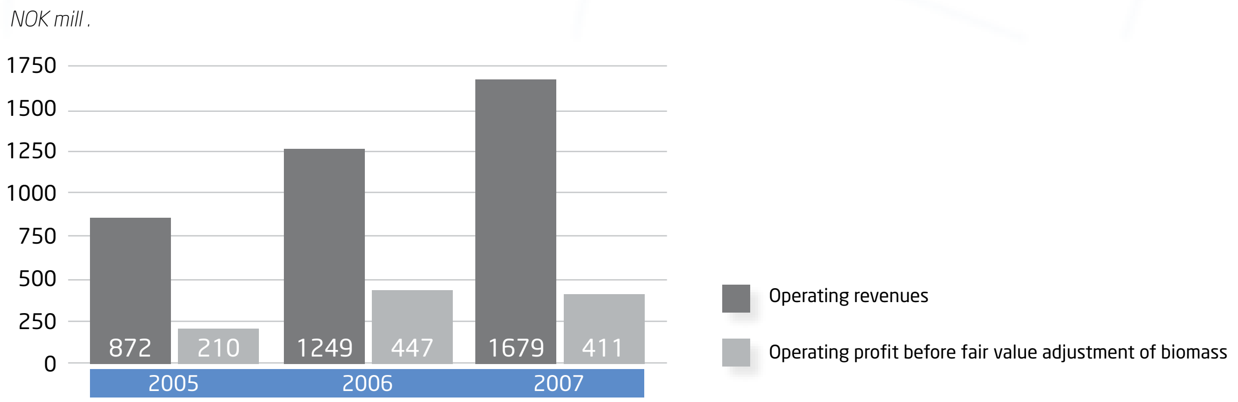
- Acquisition of Halsa Fiskeoppdrett AS with two licenses in January
- SalMar listed on Oslo Stock Exchange on the 8th of May. Conducted a share issue raising gross proceeds of NOK 116,6 million
- Acquisition of Henden Fiskeoppdrett AS with two licenses in October
- Acquisition of Arctic Salmon AS with four licenses in December

INNOVAMAR

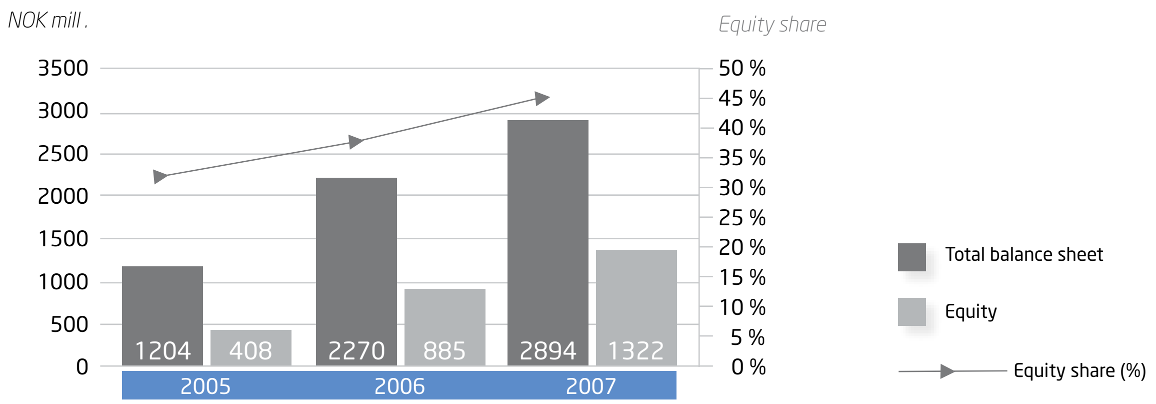
In 2007 the board voted in favor of plans to build what is intended to be the world's most innovative and cost-effective salmon harvesting and processing plant – InnovaMar, located on the island of Frøya. Through increased automation and new utilisations of technical solutions, the building of InnovaMar will give SalMar increased capacity and flexibility as well as improved product quality. InnovaMar is also an important element in the continued development of the Group's overall knowledge base and core competencies.

KEY FIGURES

OPERATING REVENUES AND OPERATING PROFIT	2007	2006	2005
Operating revenues	1 679	1 249	872
Operating profit before fair value adjustment of biomass	411	447	210
Operating margin	24 %	36 %	24 %
Operating profit after fair value adjustment of biomass	506	511	251
Profit before tax	481	577	319
Profit margin	29 %	46 %	37 %
Profit after tax	352	445	252
Earnings per share before fair value adjustment of biomass	2,8	4,0	2,2
Earnings per share after fair value adjustment of biomass	3,5	4,5	2,5

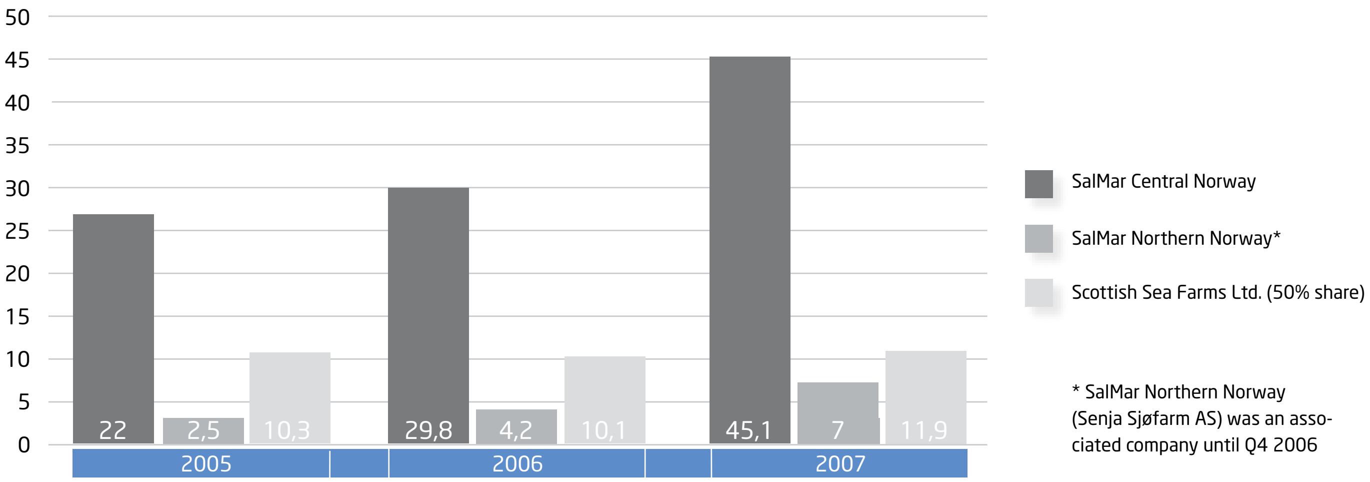


BALANCE SHEET AND EQUITY



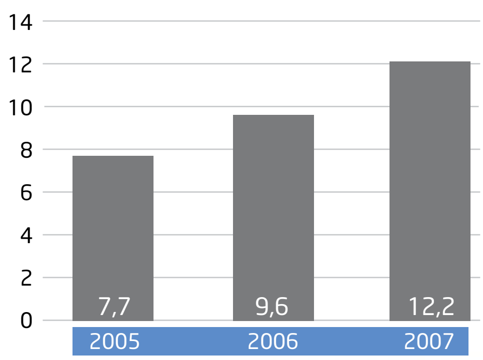
HARVEST VOLUME

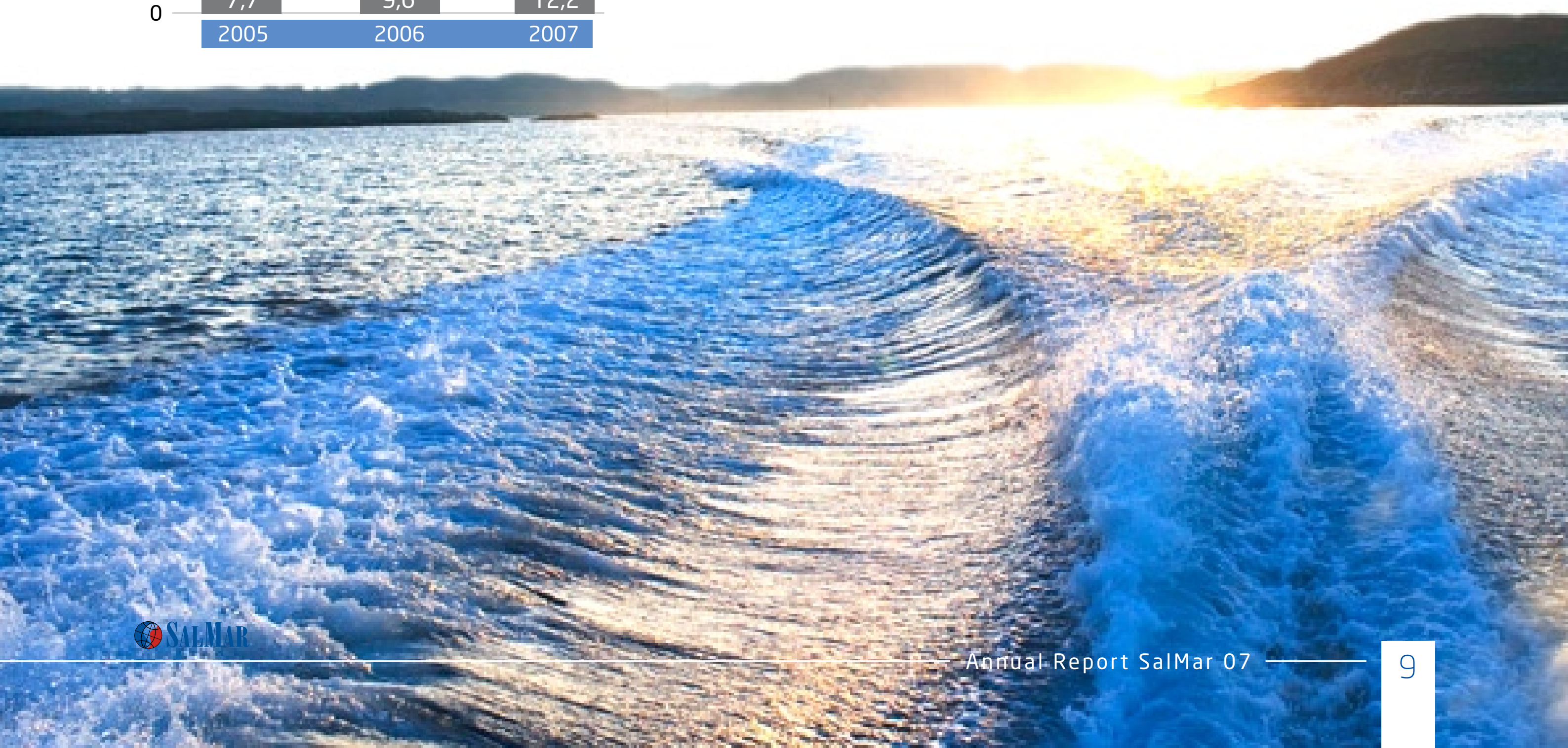
1000 tonnes gutted weight



VOLUME PROCESSED PRODUCTS

1000 tonnes product weight

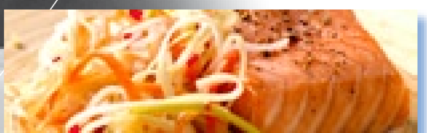


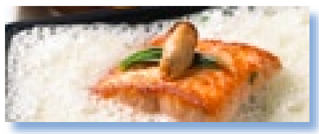


The SalMar CULTURE – our values

Since its inception in 1991 SalMar has gradually and systematically developed into an industrial operation of considerable size. The foundation for its progress has been an unrelenting focus on biological and operational performance. Today, SalMar is a vertically integrated company, with an unbroken value chain extending from roe to processed salmon. Throughout this continuous production process the company depends on its competent and motivated workforce, which collectively represents SalMar's performance-based corporate culture.

…vision and values





Since 2002 SalMar's vision has been **to be the lowest cost supplier of farmed salmon to the European market**, in the sense of being the most cost-effective producer. To reinforce the objectives underlying this vision, the SalMar School was set up as an internal arena for corporate development and culture-building. The SalMar school aims to help develop professional expertise, attitudes and skills, as well as motivate participants to work together. The sum of these elements is set out in "SalMar Standards", which describe priority areas for managers and employees that are easy to understand and are practiced by everyone in SalMar, regardless of their role in the company.

To further reinforce the company's vision and overall objectives, a number of slogans have been drawn up, which describe the behaviours and actions expected of all those participating in SalMar's performance-based corporate culture. These slogans represent and express our underlying values.

Everything we do today shall be done better than yesterday, clearly expresses our determination that our processes must be continuously developed and improved if the company is to realise and defend its position as the most cost-effective supplier of farmed salmon to the European market. We must have both the capability and the desire to constantly search for ways to improve and develop ourselves. Before it reaches the consumer in the market place, the biological product must pass through many activities and many hands, all of which must live up to SalMar's performance-based corporate culture.

The job is not done until recipient is satisfied, is intended to raise awareness of the fact that salmon production is a collaborative effort, in which the individual stages are mutually interdependent. It also underlines the importance of the customer – be they internal or external.

Throughout the production process it is crucial to **Focus on the solution – not the problem**. This means that whenever an employee is faced with a challenge, they have a duty to suggest possible solutions. All challenges represent an opportunity for improvement.

And to further underline the fact that what matters is the "here and now" and that it is up to the individual, we have the slogan **The job we do today is vital to SalMar's success.**

Progress and success is, moreover, dependent on the care we show to colleagues, partners as well as the biological assets we have, and this is expressed in the slogan We care. SalMar's employees shall care and act in ways that embody values such as responsibility, concern and ambition. That fact that we care has a positive impact on our biological and financial performance as well as our HSE performance and our relations with society at large.

An important element in SalMar's corporate culture and in the company's strategic decision-making is the need for cost-efficiency at all levels. This is summed up in the final slogan **We shall be the lowest-cost producer from roe to finished product**.

Acting in accordance with all these slogans will allow us to create and implement the SalMar Standard in all parts of the organisation.

SalMar has operations in many local communities. It is our clear objective that the SalMar corporate culture shall find its expression through all the company's 480 employees, whether they work in our hatcheries and fish farms, primary and secondary processing plants or administrative departments.

SalMar's corporate culture and our values have developed gradually since the company was founded in 1991. It represents a solid foundation to build upon in the coming years as the company seeks to improve existing operations as well as realise the InnovaMar project, the building of an innovative and cost-effective landing and processing plant for salmon in Frøya.

2007 was a good year for SalMar. A relentless focus on biology has created a solid foundation for growth and resulted in increased activity in all the Group's business areas in 2007. SalMar's performance in 2008 will continue to improve as a result of good biological development combined with favourable market conditions.

CONSIDERABLE GROWTH – SOLID RESULTS driven by a strong biological position

Demand for salmon was strong in 2007, with substantial volume growth in such important markets as France and Russia. This growth has continued into 2008. The price of salmon fell throughout the year, averaging around NOK 7 less than in 2006. However, thanks to a strong focus on operational efficiency and the strong biological development we have achieved in SalMar our margin per kilo fell by less than the average fall in the price of salmon.

SalMar's growth in 2007 came from both organic growth and growth through the acquisition of new operating licences. Eight new licences were acquired during the year – four in Central-Norway and four in Northern-Norway. These will all be rapidly integrated into SalMar's existing operations. 2007 was our first full year as sole owner of Senja Sjøfarm (SalMar Northern-Norway), and it is gratifying to note the progress made. Our part-owned (50%) business in Scotland, Scottish Seafarms Ltd, also had a good year in 2007. The company is now the most profitable fish farming operation in Scotland.

SalMar has grown rapidly over a number of years. Big steps have been taken from the decision in 2006 to bring in external shareholders until the company's stock market listing on 8 May 2007. Becoming a publicly listed company was a milestone for the organisation, and it has put us in a strong position to further develop and expand the company. SalMar aims to be at the forefront of developments in our industry. It is therefore important that we are able to make the investments that are necessary to meet the challenges of the future and realise our ambitions for growth.

SalMar's continued development and strong performance over several years is due primarily to the efforts of our entire workforce. The positive attitudes, values and behaviour of our employees have been crucial to SalMar's success. Through their participation in the SalMar School programme, our employees are constantly reminded that:

- The task is not completed until the recipient is satisfied
- We must have the desire and the ability to improve ourselves
- We are solution, not problem-oriented
- We care about the biology as well as the people around us and the society at large
- The attitude of each and every one of us is crucial to SalMar's success
- We must establish a "SalMar Standard" in all parts of our business

Upholding and developing these values represents a considerable challenge to us all. It is particularly demanding given the rapid growth we have experienced. And moving forward we will continue to place great emphasis on our values, so that SalMar can retain its position and be recognised as one of the world's leading integrated aquaculture companies.

We must continue to maintain an uncompromising focus on the biology and the right attitudes towards ethical and sustainable production. Consumers are increasingly concerned about how the salmon they eat has been produced, and that it has been raised under good and ethical conditions. Furthermore, we must succeed in combining this with an industrial production model. Building what is intended to be the world's most cost-effective salmon harvesting and processing plant at Frøya – InnovaMar – will play a key role in this context. Through increased automation and new combinations of technical solutions the construction of InnovaMar will strengthen our competitiveness. We will increase capacity, achieve even greater flexibility and improve the quality of our products.

At the same time as the number of salmon production companies is declining, there is also a steady reduction in the number of

companies engaged in the sale and distribution of salmon and salmon products. SalMar has close partnerships with selected companies engaged in the sale and distribution activities around the world.

In my opinion the outlook, both for the aquaculture industry in general and SalMar in particular, is good. Demand remains strong and volumes are increasing in our most important markets. It is particularly interesting to follow the growth in Far Eastern markets (China, Japan) and in Russia. In recent years the industry has seen strong growth on the supply side, particularly in Norway and Chile, and it seems that output in Norway will continue to grow in 2008. However, biological challenges mean that the current situation in Chile is difficult. Preliminary forecasts show output in Chile will decline in 2008. Global supply growth this year may therefore be close to zero, a situation the industry has not seen in a long time. If growth in demand remains at current levels the industry can expect good margins, also in 2008.

Message from the CEO

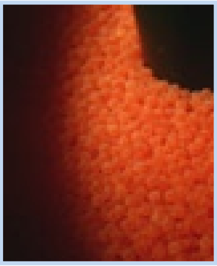
THE ABC OF SALMON FARMING

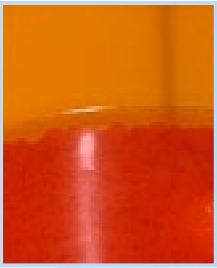
ROE FRY SMOLT

ÅR 0 1

BROODSTOCK

The broodstock are the parent fish which provide the roe and milt required to produce new generations. When they are stroked, roe is harvested from female fish and milt from male fish. Mixing together roe and milt results in fertilised roe, which, after washing and the removal of excess milt, are placed in an incubator for 60 days. The temperature in the incubator is kept at eight degrees Celsius.





EYED SALMON ROE

After 25-30 days in the incubator the roe have developed to the stage where the eyes of the salmon are clearly visible as two black dots inside the egg. These eyed roe have now become robust enough for transportation.

FRY

The roe hatches when the eggshell cracks open, liberating the baby salmon inside (fry). When it hatches the fry is attached to a yolk sack, which provides it with the sustenance it needs during its first few weeks of its life. From now on the fish's growth and development will all depend on temperature.

INITIAL FEEDING

When most of the yolk sack has been absorbed, the fry can be moved from the incubator into a fish tank. The fry will gradually begin to search for food, at which point they are ready for initial feeding. The water temperature is now kept at 10-14 degrees Celsius, and the fry are exposed to dim lighting 24 hours a day. The initial feeding period lasts for six weeks. The fry are then sorted and moved to larger tanks. The number of fish in the tanks is gradually reduced as the fish grow bigger. Well ahead of their "smoltification" all the fish are vaccinated before being shipped by wellboat to the fish farm's marine sites.

SMOLTIFICATION

The process whereby the juvenile fish transition from a life in freshwater to a salt water existence in the sea is called smoltification. During this process the fish develop a silver sheen to their bellies, while their backs turn a blue-green colour. Their gills also change when the juvenile fish turns into a smolt. The smolt are transported from the hatchery on land to the fish farm's marine facilities in well boats, either in a closed system or with the circulation of fresh seawater.

From ROE to SALMON ON A PLATE

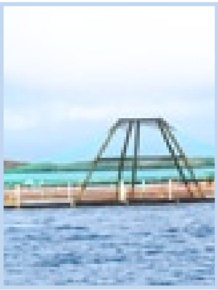
The Norwegian salmon industry has experienced dramatic technological and biological changes since its first, cautious beginnings in the 1960s. But despite the fact that the business is still young, most of the expertise it rests on has been drawn from the traditional fishing industry. The basis for this new sector – the broodstock – comes form the salmon rivers of Norway.

GROWTH

2

ON-GROWING

In order to transfer smolt to the sea and grow the salmon on to harvestable size, the fish farmer must have a licence from the Ministry of Fisheries and Coastal Affairs. The farming of fish for human consumption takes place in net-pens, large enclosed nets suspended in the sea by flotation devices. In addition to a solid anchorage, net-pens require regular cleaning and adequate measures to prevent the farmed fish from escaping. Growth in the net-pens is affected by feeding and light management. Here too the fish are sorted as they develop and grow.



HARVESTING

HARVESTING & PROCESSING

Less than a year after transfer to the marine net-pens, the first fish are ready for harvesting. The fish are collected in a wellboat, which transports them live in fresh seawater to the processing plant. Here the fish are pumped into holding pens, from where they are carefully transferred by pipe into the plant itself. The fish are harvested using high-tech equipment, and always in accordance with applicable public regulations and under the supervision of the veterinary authorities. After harvesting the salmon is subject to various degrees of processing.

SALES

3

SALES

The fish is sold either as whole gutted salmon (fresh or frozen), fillets, in individual portions or a wide range of other products, which are distributed to food processors, supermarket chains, restaurants and fish markets around the world. More and more fish is available as ready-prepared products, making it easier for the consumer to prepare the food.

At the end of 2007 SalMar had 52 licences for the production of farmed salmon in Norway. Of these, 39 were located in Central-Norway (the counties of Møre and Romsdal, South Trøndelag and North Trøndelag), and 13 licences in Troms County. SalMar also has a 50 per cent stake in Norskott Havbruk AS, which in turn owns Scottish Sea Farms Ltd, the UK's second largest salmon producer.

SalMar has operations within fish farming (from hatchery to harvestable salmon), harvesting and processing, as well as sales and distribution.

HISTORY

When SalMar was established in Frøya, South Trøndelag, in 1991 it had one fish farming licence and a wild-fish harvest and packing plant acquired from a company that had previously gone into liquidation.

To increase its processing capacity SalMar expanded the plant at Nordskaget, Frøya, in 1997 in collaboration with SIVA (Selskapet for industriell vekst). Kverva Holding became sole owner of SalMar that same year.

By the late 1990s the company had 20 licences, with a total harvested volume of 11,000 tonnes and a total processed volume of 3,000 tonnes.

In 2006 Kverva Holding AS sold 42.5 per cent of the company's shares to a limited number of Norwegian and international investors. The realisation of the company's plans to build new industrial facilities in Frøya and its ambitions to participate in the industry's ongoing restructuring process depend on access to sufficient capital. The board of directors therefore decided to list the company on the Oslo Stock Exchange. On 8 May 2007 SalMar was i listed company.

COMPANY presentation – business areas

Initially, the company's main business was the processing of frozen salmon, which at that time was in large supply following the liquidation of Fiskeoppdretternes Salgslag (the Norwegian salmon farmers' sales co-operative) in 1991. This also marked the beginning of wide-ranging restructuring within the Norwegian salmon farming industry, which over time led to increased industrialisation.

In 1992 the company acquired a further two salmon farming licences. In 1995, following the acquisition of Follasmolt in Verran, North Trøndelag, SalMar entered the hatchery and smolt production sector. At the same time, a leasing agreement was entered into with Kjørsvik Settefisk, a hatchery in Aure, Møre og Romsdal.

Additional operating licences in Central-Norway were purchased during the 1990s, and by the end of 1996 SalMar had nine wholly owned licences.

In 2000 the company established its first fish-farming operation outside Central-Norway, with the acquisition of a 49 per cent stake in Senja Sjøfarm AS in Troms. At that point Senja Sjøfarm AS had nine operating licences and its own hatchery.

SalMar went abroad the following year, when it established Norskott Havbruk AS in partnership with Lerøy Seafood Group. Norskott Havbruk AS is the sole owner of Scottish Sea Farms Ltd, the UK's second largest producer of farmed salmon. SalMar owns 50 per cent of the shares in Norskott Havbruk AS, while Lerøy Seafood Group owns the remaining 50 per cent.

In 2005 SalMar divested those parts of its operations which were not considered to be core businesses, including the production of herring, herring oil and herring meal. The objective was to concentrate the company's focus and efforts on its core business: the farming, harvesting and processing of salmon.

In June 2006 the company acquired three new salmon production licences in the Nordmøre district, very close to SalMar's existing production facilities. Towards the end of the year SalMar acquired the remaining 51 per cent of the shares in Senja Sjøfarm to become the company's sole owner.

In 2007 SalMar acquired Halsa Fiske-oppdrett AS (two licences) and Henden Fiskeoppdrett AS (two licences) in Møre og Romsdal, as well as Arctic Salmon AS (four licences) in Nordreisa, Troms.

BUSINESS IDEA, OBJECTIVES AND STRATEGY

SalMar's vision is to be the most cost-effective supplier of salmon and salmon products while maintaining high standards with respect to biology, ethical production and quality. With competition increasing all the time, low production costs are a vital competitive parameter to achieve good margins and a good return on equity.

SalMar is uncompromising with respect to quality and meeting the ethical standards associated with biological production. The company wishes to continue investing in biological development to enable further industrialisation. SalMar also aims to increase the level of salmon processing undertaken at Frøya so that a larger proportion of the value added is retained within the company. Increased local processing will also have environmental benefits through a reduction in exports of whole fish, the head and bones of which are largely discarded by the secondary processor or the consumer.

This increased industrialisation and in-house processing capability will be enhanced through realisation of the InnovaMar project in Frøya. InnovaMar is intended to be the world's most innovative and cost-effective salmon harvesting and processing plant. Construction of the InnovaMar facility will commence in 2008. When it is completed a substantially lower proportion of the company's total output will be exported as whole gutted salmon.

Moving forward it will also be an important objective for SalMar to create and develop secure, interesting and profitable jobs. The further development of SalMar's company culture and the SalMar Standards will be achieved through a continuation of the SalMar School.

FRY AND SMOLT – HATCHERY PRODUCTION

As a leading international producer of farmed salmon, having access to adequate supplies of high quality smolt is crucial to SalMar. It is therefore of strategic importance to the company to be,as far as possible, self-sufficient in smolt.

SalMar produces fry and smolt at six separate facilities in Møre og Romsdal, South Trøndelag, North Trøndelag and Troms. In 2007 the company produced almost 12 million smolt.

In Central -Norway SalMar has five hatcheries located at Follafoss in Verran, Kjørsvikbugen in Aure, Setran in Osen, Straumsnes in Tingvold and Langstein in Stjørdal. SalMar owns 60 per cent of the Langstein facility, while the remaining hatcheries are wholly owned. The bulk of SalMar's smolt production is used to supply its own fish farms, though a small proportion is sold to third-party fish farmers in Central-Norway. The company currently has adequate supplies of smolt of the required quality.

SalMar's hatcheries have access to fresh-water resources which will allow continued growth in output. This is particularly true of the largest hatcheries at Follafoss and Kjørsvikbugen. In the past year SalMar has also invested in recycling technology which permits a higher production of smolt with less consumption of fresh water.

SalMar's hatcheries are largely built up around alternative energy resources. The Follafoss facility uses the waste water from a nearby wood processing plant to heat the water used in production by means of a heat exchanger, while the cooling water from Statoil's methanol plant at Tjeldbergodden is correspondingly used by the Kjørsvikbugen hatchery. These measures result in reduced energy costs.

Both at Follafoss and Langstein the water utilised for smolt production is also used for power generation.

High quality smolt is a precondition for the safe and effective production of farmed salmon. By establishing its own standards and associated action plans SalMar has placed great emphasis on the quality of its smolt. .

To make effective use of the production potential of SalMar's fish farms it is important that the transfer of smolt to the sea is spread as evenly as possible over the whole year. Achieving non-seasonal smolt production has therefore been an important objective for SalMar's hatcheries.

Throughout 2007 the company's hatcheries have substantially upgraded their facilities. This effort has been undertaken to facilitate general production growth, to implement environmental measures such as waste water treatment, and to implement measures to prevent fish from escaping from the hatcheries. SalMar has a zero-tolerance policy with respect to escape from its hatcheries.

FISH FARMING CENTRAL-NORWAY

The bulk of SalMar's marine fish farming activity is organised in SalMar Farming AS, and takes place in Central-Norway, from Nordmøre to the Namdal coast. This region offers extremely favourable environmental conditions for the production of salmon, with good temperatures all year round thanks to the Gulf Stream's good circulation of seawater and good access to suitable sites.

SalMar's fish farms focus on cost-effective operations and high ethical standards with respect to animal husbandry. To help SalMar achieve its goal of being the most cost-effective producer of salmon, there is a constant focus on key efficiency targets, such as fastest possible growth with the lowest possible feed factor. Early on the company established its own standards and "best practices" to achieve greater efficiency. Amongst other things, this means concentration of production at larger facilities with the right capacity and sustainability.

SalMar Central-Norway harvested 45,100 tonnes gutted weight of salmon in 2007, divided between 39 licences, 14 of which are located in the Møre district and 25 in Trøndelag. Fish farming facilities are located in Averøy, Halsa, Tustna, Aure, Smøla, Hitra, Frøya, Åfjord, Roan, Flatanger and Namsos.

During the year operations were characterised by high levels of production, little in the way of health problems and very few HSE-related incidents.

FISH FARMING NORTHERN-NORWAY

At the close of 2007 SalMar's wholly owned subsidiary Senja Sjøfarm AS had 13 operating licences in Troms County. The company acquired four of the licences through the takeover of Arctic Salmon AS in Nordreisa in December. Senja Sjøfarm's other nine licences and one hatchery are located in Tranøy, Dyrøy, Berg and Lenvik. Senja Sjøfarm harvested a total of 7,000 tonnes gutted weight in 2007.

During 2007 the company implemented several measures intended to improve operating routines, feeding and feeding regimes, and its organisation in general. These measures have already had a measurable impact on the biological and financial results. Like the company's Central-Norway operations, SalMar's activities in Northern-Norway are characterised by a concentration in larger units compared with many competitors. To further rationalise production, several of the facilities in Troms installed larger net-pens during the year. The company has also increased its smolt outset, which is expected to result in a considerable increase in output and harvested volume in 2008.

During the year an extensive development process (the SalMar School) aimed at both management and staff, was implemented.

SCOTTISH SEA FARMS LTD

Scottish Sea Farms continued to be the UK's most profitable fish farming company in 2007. During the year the company expanded through the acquisition of both hatchery and fish farming facilities in the Orkneys. While the company's main production is located on the Scottish mainland, it also operates from locations in Shetland and the Orkneys.

The company's activities include hatchery production, marine-phase fish farming and harvesting. During the year salmon processing was started at the company's facilities at South Shian in Scotland.

During the course of 2007 the company developed several exciting market concepts, including the production of own-label salmon products for the international retail chain Marks & Spencer.

HARVESTING, PACKING AND PROCESSING (VAP)

Over the years SalMar's investment in its own processing business has been a cornerstone in the company's development. In fact it has played a key part in SalMar's strategic development from the very start. Bringing large harvesting volumes to a plant affords economies of scale, as well as providing flexibility and a better utilisation of the entire salmon.

In 2007 SalMar harvested a total of 54,600 tonnes gutted weight at its facility in Frøya, while the output of processed products totalled 12,200 tonnes. This includes a substantial increase in the production of pre-rigor fillet. A number of new products were also developed during the year, with various seasonings and packing methods to make them easier for the consumer to prepare.

Both the harvesting and filleting departments achieved a steady, high level of output throughout the year.

SALES AND DISTRIBUTION

For many years SalMar has chosen to sell its products through a handful of Norwegian salmon exporters, with whom it works closely. But as volumes have increased SalMar has also established direct sales of whole salmon to markets such as Russia and Asia. Furthermore, SalMar exports a substantial volume of processed products to Japan through its wholly owned subsidiary SalMar Japan KK.

HSE

"WE CARE" " is one of the six key slogans expressing SalMar's corporate culture. Its purpose is to develop good attitudes, respect and care for salmon, colleagues, customers and partners. The slogan is also intended to raise awareness of the requirements attached to biological production, and highlight the need to maintain a high standard of ethics in our fish husbandry. This includes a focus on environmental and biological management, as well as maintaining complete control over our production process.

Health, safety and the environment

SalMar has operations in many local communities. The company therefore has a corporate social responsibility on many levels: as an employer, as a production company, as a producer of healthy food, as a user of the environment, and as a manager of financial and intellectual capital. By showing that "we care", SalMar helps to increase the attention paid to these issues – both within the company and in the localities in which we operate.

ETHICAL CODE OF CONDUCT

SalMar operates in an industry which is growing fast and becoming increasingly internationalised; an industry which is subject to constant demands for change and adjustment to the economic and regulatory framework. In this situation maintaining high ethical standards in all aspects of our business is a constant and non-negotiable requirement. SalMar has therefore drawn up a code of conduct whose purpose is to help establish a sound corporate culture and safeguard the company's integrity by helping employees to act in accordance with standards for good business practice. The guidelines require employees and company representatives to maintain high ethical and moral standards in the performance of their duties on behalf of the company.

Employees shall act fairly, honestly and with personal integrity in their dealings with other employees, business associates, customers, shareholders, public authorities and the general public.

Employees shall not, when acting on behalf of the company, seek to gain unreasonable advantage through manipulation, non-disclosure, misuse of confidential information, misrepresentation of material facts or any other unfair practices.

The company does not tolerate discrimination against employees, shareholders, directors, customers or suppliers on the basis of ethnicity, nationality, age, gender or religion. Respect for the individual is a cornerstone of the company corporate culture and policy. Everyone shall be treated with dignity and respect, and shall not be improperly prevented from carrying out their duties and responsibilities. By complying with these principles, SalMar will continue the positive development it has so far achieved, to the benefit of both its employees and society at large.

THE ENVIRONMENT

SalMar is directly and indirectly involved in the management of considerable natural resources, and consequently a particular responsibility for the environment. For this reason the company endeavours at all times to keep its impact on the environment and publicly owned land to a minimum. This is achieved through a number of measures, such as strictly monitored waste management at all levels, the vaccination of all fish transferred to the sea in order to reduce the risk of disease and the spread of infection, and a zero tolerance for any incident for which we ourselves are responsible that can lead to the escape of fish from our farming facilities. Moreover, the company works closely and continuously with both private and public sector institutions and experts in the field of fish health.

Health, safety and the environment (HSE)
That SalMar's employees are in good health and work in a healthy and safe environment is a competitive advantage, both when it comes to attracting and retaining staff and in relation to sustainable commercial development. For this reason the company has facilitated access to a company health service, as well as the establishment of a wide range of employee activities. Both of these measures help to boost the individual employee's motivation as well as physical and mental health.

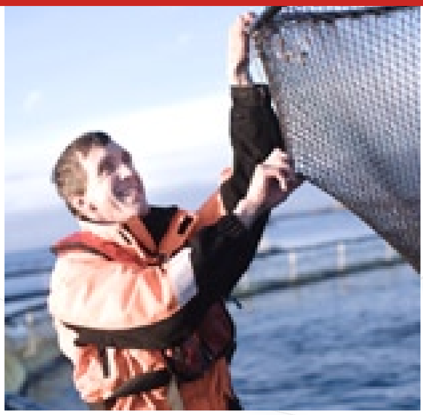
INTERNATIONAL STANDARD - GLOBALGAP GLOBALGAP

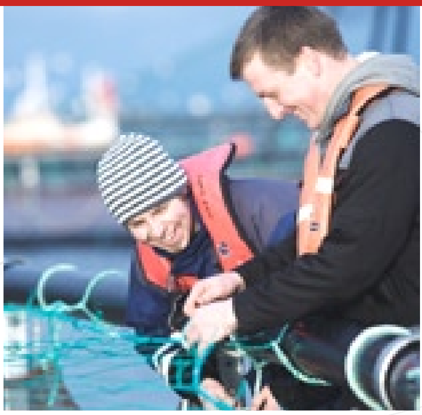
SalMar is now Globalgap certified. Globalgap is the first international standard for production of farmed fish. The standard's objective is to ensure food safety in the entire production process. Globalgap is a consumer oriented concept where food safety is based on HACCP, environment, fish welfare and HSE

ABSENCE DUE TO ILLNESS

SalMar is working steadily to reduce absence due to illness. During 2007 a number of measures were implemented to reduce absence rates and improve the individual's work situation. Among these initiatives is the tailoring of job content to individual needs, massage facilities and the leasing of therapeutic swimming pool facilities.

Absence due to long-term illness stood at 6.58 per cent in 2007, compared with 5.36 per cent the year before. Absence due to short-term illness stood at 2.44 per cent in 2007, compared with 2.42 per cent the year before. A total of 24 work-related injuries were recorded during the year.





CORPORATE GOVERNANCE

INTRODUCTION

SalMar ASA aims to maintain a high standard of corporate governance.

Good corporate governance strengthens public confidence in the company and contributes to long-term value creation by regulating the reciprocal roles and responsibilities of shareholders, the board of directors and the company's management, over and above that which is stipulated in legislation and other statutory instruments.

The Oslo Stock Exchange requires that listed companies provide a consolidated account of their corporate governance in accordance with the code of practice drawn up by the Norwegian Corporate Governance Board (NUES). A new version of the code of practice was published 4 December 2007, replacing the previous version of 28 November 2006. The code of practice can be found at www.nues.no.

The code of practice shall be adopted in accordance with a "comply or explain" principle. This means that listed companies must report how they have organised themselves in relation to the code's individual stipulations, and, if relevant, explain how and why the company has chosen to deviate from the code.

CORPORATE GOVERNANCE

SalMar's board of directors has determined that the company shall comply with the Norwegian Code of Practice for Corporate Governance.

SalMar has been listed on the Oslo Stock Exchange since May 2007, since when it has worked steadily to comply with the code of practice's stipulations. This report details any discrepancies the company may have had with respect to such stipulations during this period.

SalMar has always operated its business in line with core values which have been communicated to the organisation, partly through the employees' participation in the SalMar School, which has been in existence since 2002. These values are based, among other things, on such principles as equality, quality, HSE, focus on the biology, and continuous improvement. For further details, please see the chapter on SalMar's values and culture in the annual report.

SalMar has also drawn up a code of conduct, whose purpose is to safeguard and develop the company's values, create a healthy corporate culture and uphold the company's integrity. The code of conduct is also meant to be a tool for self-assessment and for the further development of the company's identity. All employees of the company are bound to comply with the ethical guidelines laid down in the code of conduct, which is available from the company's website.

THE BUSINESS

SalMar ASA's objectives are defined in its articles of association (Article 2, see also the company's website):

The objective of the company is sea farming, processing and trading of all types of fish and seafood, and other financial activities in relation to this. The company may, in accordance with directives from the relevant authorities, conduct general investment activities, including participation in other companies with similar or related objectives.

Targets and strategies are drawn up for each business unit. Within the framework of the above article, SalMar is currently engaged in hatchery production, marine-phase farming, harvesting, processing and sale of farmed salmon.

The company's objectives and main strategies are further discussed in this report in the chapters "CEO's report" and "Company presentation".

EQUITY AND DIVIDEND

As at 31 December 2007 the company had net assets of NOK 1 321,5 million, which corresponds to an equity ratio of approx. 46 per cent. The board considers SalMar's equity to be adequate in relation to the company's objectives, strategy and risk profile.

SalMar aims to provide shareholders with a competitive return on invested capital, taking into consideration the company's risk profile. Returns will be achieved through a combination of share price development and the payment of a dividend. The company plans to pay out surplus liquidity (funds not necessary for the company's day-to-day operation) in the form of a dividend or by means of a capital reduction with distribution to the shareholders. The company will at all times consider whether the available liquidity should be used for new investments or the repayment of debt instead of being paid out as dividend. Subject to the approval of the Annual General Meeting, it is intended that a dividend be paid annually. The board of directors is proposing a dividend for 2007 of NOK 1.10 per share, or NOK 113,3 million in total.

BOARD AUTHORISATION

The Annual General Meeting of 21 March 2007 authorised the board to increase the company's share capital by up to NOK 12.5 million, though the issue of no more than 50 million shares, each with a face value of NOK 0.25. The authorisation is valid until the 2008 AGM. The authorisation was used to issue 3 million new shares in connection with the company's stock market listing, and the number of shares which may be issued under the authorisation has therefore been reduced to 47 million. The authorisation may also be used to finance investments and the acquisition of businesses through capital increases and contributions in kind. Moreover, the authorisation may be used in connection with the share option scheme for senior executives. Given the purpose of the authorisation, the board of directors may need to set aside the preference rights of existing shareholders. This right is given the board under the terms of the authorisation.

The AGM of 21 March 2007 also authorised the board of directors to acquire the company's own shares with a face value of up to NOK 2.5 million, which corresponds to approx. 10 per cent of share capital. The price of shares acquired could range from not less than NOK 1 to not more than NOK 100. The authorisation has not been exercised and remains valid until the 2008 AGM.

NON-DISCRIMINATION OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSELY RELATED PARTIES

SalMar's registered share capital totals NOK 25,750,000, divided between 103,000,000 shares. Each share has a face value of NOK 0.25. SalMar has only one class of shares and all shares have equal rights. Each share carries one vote.

In the event of material transactions with closely related parties, the company shall make use of valuations provided by an independent third party.

SalMar's code of conduct lays out what is required of employees with respect to loyalty, conflict of interest, confidentiality and guidelines for trading in the company's shares. The code of conduct states that all employees must notify the board if they, directly or indirectly, have a material interest in any agreement entered into by the company.

The regulations governing the board's working practices provide guidelines for how individual directors and the CEO should conduct themselves with respect to matters in which they may have a personal interest. Among them is the stipulation that each director must make a conscious assessment of his/her own impartiality, and inform the board of any possible conflict of interest.

TRANSFERABILITY

The company's shares are freely transferable on the Oslo Stock Exchange and its articles of association do not contain any restrictions on the shares' transferability.

GENERAL MEETING OF SHAREHOLDERS

The company's highest decision-making body is the General Meeting of Shareholders. In accordance with the company's articles of association the Annual General Meeting must be held by the end of June each year.

An invitation to attend, as well as all agenda papers, are published on the company's website no later than 21 days prior to the date of the AGM. All shareholders whose address is known to the Norwegian Central Securities Depository (VPS) will be sent the documents by post no later than 14 days prior to the date of the AGM. Shareholders are entitled to make proposals and cast their votes either in person or through a proxy. Shareholders must notify the company of their intention to attend the AGM. The due date set by the company for shareholders to sign up for the AGM can be no earlier than 5 days prior to the meeting. In all matters relating to the preparation of, invitation to and staging of the company's AGM the company complies with the Norwegian Code of Conduct for Corporate Governance.

The AGM for 2008 will take place on 21 May.

NOMINATION COMMITTEE

The company's articles of association stipulate that the Nomination Committee shall comprise a total of three people, who shall be shareholders or shareholders' representatives. The members of the Nomination Committee, including the committee's chair, are elected by the Annual General Meeting for a term of two years. The Nomination Committee recommends candidates for election to the board of directors and directors' fees. The remuneration payable to members of the Nomination Committee is determined by the AGM. A set of regulations governing the work of the Nomination Committee was adopted at the board meeting of 21 March 2007.

As described in the prospectus published by the company in connection with its stock market listing in 2007, the board of directors has decided that the Nomination Committee shall be appointed by the 2008 AGM. The company has therefore not had a Nomination Committee during 2007.

CORPORATE ASSEMBLY AND BOARD OF DIRECTORS, COMPOSITION AND INDEPENDENCE

The company does not have a Corporate Assembly. The articles of association stipulate that the board of directors shall comprise three to seven members, to be elected by the Annual General Meeting. The board's chair is elected by the AGM, while the board itself elects a deputy chair. The company's current board is made up of six members, including two women and one employee representative.

The regulations governing the work of the Nomination Committee state that emphasis shall be placed on ensuring that members of the board have the necessary competence to carry out an independent assessment of the matters presented to it by management and of the company's business activities. Emphasis shall also be placed on ensuring that there is a gender balance in accordance with Norwegian law and that directors are independent with respect to the company. The Nomination Committee's recommendation shall meet the requirements relating to board composition stipulated by applicable legislation and the regulations of the Oslo Stock Exchange. Board members are elected for a term of two years.

The composition of the board meets the Code of Practice for Corporate Governance's stipulations with respect to independence, with one exception. Gustav Witzøe is both head of SalMar Processing and a member of the board of SalMar ASA. In the opinion of the board it is in the company's interests to utilise Gustav Witzøe's extensive experience and considerable expertise, both as head of part of the business and as a director. The company has therefore chosen to deviate from the code in this matter.

In 2007 the board did not have a deputy chair. A deputy chair will be elected in 2008.

THE WORK OF THE BOARD

The board has overall responsibility for the management of the Group and the supervision of its day-to-day management and business activities.

The work of the board is governed by a set of regulations which describe the board's responsibilities, tasks and administrative procedures. Furthermore, the board determines the Group's overall objectives and strategy, including the overall composition of the Group's portfolio and the business strategies of the individual business unit.

Strategy is normally discussed in the fall, ahead of the Group's budget process. Within the area of strategy, the board shall play an active role in setting management's course, particularly with regard to organisational restructuring and/or operational changes.

The board shall approve the Group's plans and budgets, and may, if desired, draw up more detailed guidelines for its operations. The board shall, no later than December, approve the Group's budgets for the coming year. Proposals relating to targets, strategies and budgets are drawn up and presented by management.

By the end of 2008 the board shall have made an assessment of its own work and competence. An evaluation of this kind was not undertaken in 2007 due to the relatively short time that has elapsed since the company was listed on the stock exchange in May 2007. The company evaluates the use of board sub-committees on a regular basis, but has so far not established any such committees.

RISK MANAGEMENT AND INTERNAL CONTROL

The board ensures that the company's internal control systems are adequate in relation to the regulations governing the business. The company's systems and procedures for risk management and internal control are intended to ensure efficient operations, timely and correct financial reporting, as well as compliance with the legislation and regulations to which the company is subject.

The follow-up of internal controls relating to financial reporting is undertaken by means of management's day-to-day monitoring, the process owners' monitoring and the auditor's independent testing. Deviations and areas of improvement are followed up and corrective measures implemented. Financial risk is managed by a central unit at head office, and, where appropriate, consideration is given to the use of financial hedging instruments. The auditor has confirmed that the company's internal controls relating to financial reporting are adequate.

A vital part of the senior management team's efforts is devoted to the identification and management of biological risk, fish health, HSE and general hygiene. It is the CEO's responsibility to ensure that the company complies with all relevant legislation and guidelines governing the operation of its divisions. This includes the procurement, operation and maintenance of fish farming equipment, as well as management of the company's biomass.

Follow-up and control of the extent to which the company's values and code of conduct are complied with is carried out by the line organisation and is part of day-to-day operations. Material risks and any changes in them are discussed at management meetings every fortnight.

Although the board did not carry out any overall review of the company's total risk picture during 2007, a review of this type will take place in 2008.

The most important risk factors for the company include financial risk associated with foreign exchange, credit and interest rates, and biological risk associated with the state of health at the company's hatchery and fish farming facilities. These risk factors are monitored and addressed by managers at all levels in the organisation.

Se note 19 to the financial statements for further information regarding financial risk management.

DIRECTORS' FEES

The remuneration payable to the board of directors for 2007 will be determined by the company's Annual General Meeting of 21 May 2008. In future the amount of remuneration payable to board's members will be proposed by the Nomination Committee, to be appointed by the 2008 AGM. The directors' fees shall reflect the board's responsibilities, competence, time spent and the complexity of the business.

Directors' fees are not performance-related and contain no share option element. Additional information relating to directors' fees can be found in Note 3 to the financial statements.

As a consequence of his position with SalMar, Gustav Witzøe has received remuneration from the company in addition to his fee as a director. Please see the section relating to the board's composition for an explanation of Mr Witzøe's directorship.

REMUNERATION TO SENIOR EXECUTIVES

The company's board of directors has drawn up a declaration relating to the determination of salaries and other benefits payable to senior executives. This declaration was approved by the company's Annual General Meeting of 21 March 2007. The company shall offer competitive terms and conditions in order to attract and retain key personnel with the necessary competence.

The declaration states that the board of directors shall determine the salary and other benefits payable to the CEO. The salary and benefits payable to other senior executives are determined by the CEO in accordance with the guidelines laid down in the declaration. Pursuant to the authorisation given to the board of directors, a share option scheme has been established for key personnel. Today's compensation scheme is divided into three and comprises a fixed salary, a performance-related bonus and a share option scheme in line with the board's authorisation.

Information relating to the salary and benefits payable to the CEO and other senior executives can be found in Note 3 to the financial statements.

INFORMATION AND COMMUNICATION

Communication with shareholders, investors and analysts is a high priority for SalMar. The objective is to ensure that the financial markets and shareholders receive timely information, thus providing the best possible foundation for a valuation of the company. The company has adopted an "IR policy" which is available on the company's website.

The company holds open investor presentations in association with the publication of its year-end and interim results. Such investor presentations are also made available on the company's website.

The company shall publish its provisional year-end accounts by the end of February each year. A complete annual report shall be distributed to all shareholders no later than 14 days prior to the Annual General Meeting. In addition the company shall publish quarterly financial statements, no later than 45 days after the close of the period. The latest published financial information can always be obtained from the company's website.

The CEO and CFO are responsible for communications with shareholders other than in connection with the AGM, and guidelines for such communications are currently being drawn up.

TAKEOVER SITUATIONS

The board of directors concurs with the principle of non-discrimination of shareholders. The board undertakes to act in a professional manner and in accordance with applicable legislation and regulations. Accordingly, the board agrees to abide by the principles laid down in the Code of Practice for Corporate Governance relating to the board's responsibilities and duties in a takeover situation.

AUDITOR

The company's auditor is appointed by the Annual General Meeting and is independent of SalMar ASA. Each year the board of directors shall receive written confirmation from the auditor that the requirements with respect to independence and objectivity have been met.

The auditor shall draw up the main lines of a plan to carry out the audit, and the plan shall be made known to the board of directors. Furthermore, the auditor shall hold at least one meeting each year without any representatives of the company's management being present.

The board shall inform the AGM of the remuneration payable to the auditor, broken down into an auditing and other services component. The AGM shall approve the auditor's fees.

The company has drawn up guidelines for any work other than auditing to be carried out by the auditor or persons associated with the auditor.

The auditor participates in board meetings in connection with the treatment of the year-end accounts, and, at the same time as the board of directors, reviews the company's internal control systems. This includes the identification of weaknesses and proposals for improvement. The auditor will also attend the company's AGM.

BOARD OF DIRECTORS' REPORT FOR 2007

Still in front

SalMar posted strong financial results in its first year as a listed company. Revenues rose by 35 per cent, from NOK 1,248.6 million in 2006 to NOK 1,679.2 million in 2007. Operating profit before adjustment of fair value of biomass was NOK 411.4 million in 2007, compared with NOK 447.4 million in 2006, when salmon prices were considerably higher. Biological control is a key issue for SalMar, and is the foundation of the Group's success. The biomass continued to develop well in 2007. Overall, this represents a very solid platform for SalMar's continued growth and development.

THE BUSINESS

SalMar is a leading Norwegian producer of farmed salmon. The Group has fish farming licences and hatcheries in central and northern Norway. SalMar also has a 50 per cent stake in Norskott Havbruk AS, which owns Scottish Sea Farms Ltd, the UK's second largest producer of farmed salmon. In addition, SalMar has a substantial processing business in Frøya, Norway.

At the end of 2007 SalMar had 52 licences to farm Atlantic salmon in Norway. 39 of these are located in Central Norway (Møre og Romsdal, South Trøndelag and North Trøndelag), while 13 licences are located in Northern Norway (Troms). The fish farms in Central Norway are operated through SalMar Farming AS and its subsidiaries. In Northern Norway the business is operated by Senja Sjøfarm AS and its subsidiaries.

For SalMar the establishment of regional clusters is a way of creating the critical mass necessary to establish sound operating models and economies of scale, as well as diversification of risk.

Strategic focus areas

SalMar has a number of strategic focus areas which underpin the Group's continued development. These include:

• SalMar shall increase its harvest volume through improved utilisation of existing licences as well as the acquisition of other fish farming companies.

• SalMar shall be self-sufficient with regards to smolt and thus maintain control of all key stages in the value chain.

• SalMar shall constantly develop its corporate culture and operating model (the SalMar Standard) within all areas of its operations. All group facilities shall be operated in accordance with the same principles and goals, based on the same values.

• SalMar shall increase the extent of local processing of its salmon, primarily in Frøya. Increased local processing results in improved efficiency and quality, is beneficial for the environment with respect to transport, and helps to maintain and develop the local community.

• SalMar shall, through its operating model and corporate culture, contribute to the sustainable development of the aquaculture industry, and stimulate the development of the local communities in which we operate.

THE MARKETS

After three years of low growth, the global supply of Atlantic salmon grew by almost 10 per cent in 2007. Norway accounted for most of the growth, with harvested volumes increasing by almost 100,000 tonnes from 2006 to 2007. Demand for salmon and salmon products was strong for the year as a whole, and despite a lower price than in 2006, 2007 must be seen as a good year for the Norwegian aquaculture industry.

The price of Atlantic salmon so far this year (2008) has been higher than in the fourth quarter 2007, but lower than in the first quarter of 2007. We expect a healthy balance between supply and demand in 2008. Moderate growth in supply is expected in Norway, but in Chile

BJØRN FLATGÅRD • Chairman of the Board

Mr Flatgård is currently working as a professional director of several leading Norwegian companies and as an investor. From 1996 to 2007 he was President & CEO of Elopak ASA. Prior to that he was CEO of Nycomed Pharma and a member of the executive management of Hafslund Nycomed. Mr Flatgård gained an MSc in Chemical Engineering from the Norwegian University of Science and Technology in 1973 and a degree in economics and business administration from the Norwegian School of Management BI in 1981. Mr Flatgård currently holds the position of chairman of Handelsbanken Norway, deputy chairman of Aker Kværner ASA and director of Aker ASA and Tinfos AS. Mr Flatgård joined SalMar's board of directors in August 2002, becoming chairman in 2006. Through his family company GloMar AS, Mr Flatgård owns 3,56% of the shares in Kverva Holding AS, which in turn owns 53,4% of the shares in SalMar ASA. Mr Flatgård is also chairman of Kverva AS.

the biological difficulties currently being experienced will probably lead to a reduction in volumes from Chile in 2008 compared with 2007. Strong growth in new markets and a steadily growing focus on healthy eating, combined with rising purchasing power amongst consumers in general, will be the main drivers for increased demand for salmon in the years to come.

The population of the EU has now grown to approx. 500 million people and EU member states will remain the most important market for Norwegian salmon. The aquaculture and fish processing industry in Norway is exposed to the risk posed by political trade restrictions on the part of the EU. However, there are now positive signals that the EU will reconsider the basis for punitive measures against Norwegian salmon producers, and this may result in improved framework conditions for exports to the EU.

It is gratifying to note the development in exports of fresh salmon to new and growing markets such as Russia. Russia has developed into the fourth largest market for Norwegian salmon. SalMar's facilities in Frøya were the first to be approved for exports to Russia, and we have expect to contribute to a further positive development in this market. Moving forward, interesting opportunities should also open up for the sale of processed products to Russia.

A large percentage of the world's population lives in Asia and the Far East. Although volumes in the individual markets, so far, are relatively modest, they have been growing steadily and that trend seems likely to continue into the future.

HIGHLIGHTS OF 2007

Change in shareholder structure

SalMar was listed on the Oslo Stock Exchange on 8 May 2007. This was the natural extension of a process which started in 2006 when the company's shareholder base was expanded to include external investors. The listing has given SalMar access to the equity market, and was accompanied by the issue of three million new shares, which raised a total of NOK 116.6 million for the company. SalMar's largest shareholder is Kverva AS (53.4 per cent). Kverva AS is controlled by SalMar's founder Gustav Witzøe. At the close of the year SalMar had 1,589 shareholders.

In general, the aquaculture companies listed on the Oslo Stock Exchange saw their share prices fall through 2007, mainly as a result of the overall decline in the stock market, but it is also likely that lower salmon prices compared with 2006 contributed to the decline. However, SalMar's shareholders have seen that the company's shares have done well relative to other companies in the sector. . The company's shares were listed at an initial price of NOK 39 per share and ended the year at NOK 44.

Increased harvest volumes and strong results for the Group

2007 was yet another year where levels of activity were high in all business areas in the Group. SalMar achieved good operating margins on the basis of its continuous focus on operating efficiency and quality of the biological production process. The price of salmon fell considerably during the year, which has had an impact on the Group's financial performance compared with the year before.

SalMar had gross operating revenues of NOK 1,679.2 million in 2007, compared with NOK 1,248.6 million in 2006. Operating profit before adjustment of fair value of biomass was NOK 411.4 million, compared with NOK 447.4 million in 2006. Profit after tax was NOK 351.8 million, compared with NOK 445.1 million in 2006. This corresponds to NOK 3.45 per share issued, compared with NOK 4.45 the year before.

Strong volume growth and leading margins in Central Norway

SalMar Farming AS, which operates 39 production licences in Central Norway, achieved strong volume growth in 2007, while its margins were among the best in the industry. Output volume rose from 29,800 tonnes gutted weight in 2006 to 45,100 tonnes in 2007. Two acquisitions were completed in 2007. Halsa Fiskeoppdrett AS (two operating licences) was acquired in January, while Henden Fiskeoppdrett (two operating licences) was acquired in October. The business made an operating profit before adjustment of fair value of biomass of NOK 9.42 per kg gutted weight, down from NOK 15.00 in 2006. Although margins were affected by the drop in salmon prices from 2006 to 2007, they fell less than the reduction in the average price of salmon. This means that, relatively speaking, SalMar improved its operating margin for the year as a whole.

Positive development in Northern Norway

SalMar became sole owner of Senja Sjøfarm AS towards the end of 2006, and has worked hard during 2007 to implement "SalMar Standards" at the business, which is located in Troms County. The objective is to achieve greater focus on the biomass and thereby increased profitability. Developments so far have been positive, and we are expecting a considerable improvement in production and harvested volumes from this part of the Group in 2008. Senja Sjøfarm acquired four new operating licences in northern Troms following the acquisition of Arctic Salmon AS in December. This provides the basis for a further improvement in the production structure in the region. The business in Troms now comprises 13 fish farming licences and is reported under the segment heading SalMar Northern Norway.

Harvest volumes for the Northern Norway business was 7 000 tonnes gutted weight and it achieved an operating profit before adjustment of fair value of biomass of NOK 2,11 per kg gutted weight, down from NOK 3,54 in 2006. Considering the drop in salmon prices in 2007 the margin indicates a strong improvement in the underlying operations.

InnovaMar – planning a new harvesting and processing plant

For several years SalMar has been developing plans for the construction of what is intended to be the world's most innovative and cost-effective harvesting and processing plant – InnovaMar, located in Frøya. Through increased automation and new utilisations of technical solutions, the building of InnovaMar will enable us to strengthen our competitiveness. We will increase our capacity and gain even greater flexibility, while at the same time improving the quality of our products. InnovaMar is also an important element in the continued development of the Group's overall knowledge base and core competencies. InnovaMar will increase the proportion of salmon processed locally, which will have a positive impact on the environment through a reduction in the transport of whole fish incl. head, bones, etc, of which are largely discarded by the end consumer. InnovaMar's relatively high level of automation will also make it easier for SalMar to recruit and retain a competent and stable workforce at the plant.

Norskott Havbruk AS

The associated company Norskott Havbruk AS, which is the sole owner of Scottish Sea Farms Ltd, had a good year in 2007. Scottish Sea Farms increased its harvested volume from 20,100 tonnes gutted weight in 2006 to 23,800 tonnes in 2007. SalMar owns 50 per cent of Norskott Havbruk, while Lerøy Seafood Group owns the remaining shares. Despite some biological challenges in the fourth quarter, the company posted a satisfactory operating profit before adjustment of fair value of biomass of NOK 5.90 per kg, compared with NOK 10.54 in 2006.

Investments

SalMar expanded in 2007 as a result of both acquisitions and organic growth. Considerable investments have therefore been made to increase production capacity for smolt, as well as in marine facilities such as net-pens, boats, feeding floats and the construction of new and larger farming sites.

SalMar places great emphasis on maintaining high standards at its fish farming sites, and is at the forefront with respect to meeting regulatory requirements and deadlines for the certification of its farming operations. These investments, combined with sound operating routines, are intended to protect our facilities from damage and the escape of fish stocks.

The board of directors believe that SalMar in 2007 increased its potential for further profitable growth in accordance with the targets and strategies that have been drawn up for the Group.

FINANCIAL PERFORMANCE

Income Statement

The SalMar Group achieved a considerable growth in revenues in 2007. Revenues rose by around 35 per cent to NOK 1,679.2 million in 2007, compared with NOK 1,248.6 million the year before. Harvest volumes in Norway rose to 52,200 tonnes, compared with 34,000 tonnes in 2006. The Group made an operating profit before adjustment of fair value of biomass of NOK 7,89 per kg gutted weight, compared with NOK 14.0 in 2006. Profit after tax in 2007 was NOK 351.8 million, compared with NOK 445.1 million the year before. Earnings per share was NOK 3,45, compared with NOK 4.45 in 2006. Despite considerably lower salmon prices than in the year before, the Group succeeded in maintaining a good level of profitability throughout 2007.

SalMar Central Norway's revenues rose to NOK 1,675.6 million in 2007, compared with NOK 1,238.4 million in 2006. Operating profit before adjustment of fair value of biomass was NOK 424.9 million, compared with NOK 446.0 million the year before. This corresponds to an operating profit before adjustment of fair value of biomass of NOK 9.42 per kg gutted weight, compared with NOK 14.98 in 2006. The reduction can largely be ascribed to lower salmon prices, though strong biological output produced a good result relatively speaking. Around 45,100 tonnes gutted weight was harvested in Central Norway in 2007, compared with 29,800 the year before. The growth in harvested volume was due to both increased utilisation of existing operating licences and the acquisition of new licences during the year.

SalMar Northern Norway had operating revenues of NOK 166.8 million in 2007, compared with NOK 56.9 million in 2006. Operating profit before adjustment of fair value of biomass was NOK 14.8 million in 2007, compared with NOK 7.7 million the year before. This corresponds to an operating profit before adjustment of fair

GUSTAV WITZØE

Mr Witzøe is the co-founder of SalMar ASA. He holds a degree in engineering. After several years as an engineer he co-founded BEWI AS, a company producing Styrofoam boxes for the fish farming industry. Mr Witzøe held the position as managing director of BEWI AS until 1990. Since Mr Witzøe founded SalMar ASA in 1991 he has gained extensive experience in fish farming and processing. In addition to being a director of SalMar ASA, Mr Witzøe is chairman of Egersund Fisk AS and is a director of Norskott Havbruk AS and Scottish Sea Farms Ltd. Mr Witzøe owns 91,8% of Kverva AS, which in turn owns 53,4% of the shares in SalMar ASA. Mr Witzøe is also a director of Kverva AS.

KJELL A. STOREIDE

Mr Storeide is a graduate of the Norwegian School of Economics and Business Administration (NHH) in Bergen. From 1990 to 2004 he was the CEO and co-owner of Stokke Gruppen AS. Mr Storeide is chairman of several industrial companies in Norway and is a director of Innovation Norway. Mr Storeide joined SalMar's board of directors in February 2008.

value of biomass of NOK 2.11 per kg gutted weight, compared with NOK 3.54 in 2006. SalMar Northern Norway's key biological figures also showed improvement. 2007 was the first full year in which SalMar was sole owner of this business, and a number of measures were implemented which, with effect from 2008, will provide greater biological control, increased harvested volume and consequently better financial results. A total of 7,000 tonnes gutted weight was harvested by SalMar Northern Norway in 2007, compared with 6,300 tonnes in 2006. The growth in harvested volume was due to increased utilisation of existing operating licences.

SalMar's key performance indicator under IFRS is operating profit (EBIT) before revaluation of the biomass. The biomass is revalued periodically because biological assets (the biomass) are required to be reported at fair value, not cost price. Changes in the price and composition of the biomass during a period may therefore have a major impact on its reported value. SalMar reports operating profit before revaluation of the biomass in order to highlight its operating performance during the period.

The associated company Norskott Havbruk AS made an operating profit before adjustment of fair value of biomass of NOK 140.4 million, compared with NOK 212.0 million in 2006. As an associated company 50 per cent of Norskott Havbruk's consolidated profit after tax is taken to income by SalMar (financial income). Norskott Havbruk contributed NOK 31.2 million in 2007, compared with NOK 75.1 million the year before. The reduction can be ascribed to a combination of lower prices and some biological challenges in the fourth quarter.

Other financial items resulted in a total expense of NOK 56 million in 2007, compared with an expense of NOK 25.5 million in 2006. The increase can largely be ascribed to an increase in long-term liabilities associated with acquisitions, and generally higher interest rates.

Given the market conditions, SalMar's board of directors is satisfied with the Group's financial performance. The measures implemented have been effective, and the board is of the opinion that SalMar strengthened its position relative to its competitors in 2007.

Balance Sheet

During 2007 the Group's intangible assets rose in value from NOK 767.7 million to NOK 1,078.5 million. This change can largely be ascribed to the value of operating licences acquired during the year. The book value of the Group's biological assets (biomass/fish stocks) rose from NOK 701.0 million at the start of the year to NOK 905.7 million at the close. This increase is in part responsible for the rise in the capitalised value of the Group's current assets from NOK 923.1 million to 1,197.8 million during the period.

The Group's equity rose from NOK 885.2 million to NOK 1,321.5 million. This increase is due both to the profit for the period and the share issue carried out in connection with the company's stock market listing in May.

As a result of the acquisitions carried out during the year the Group's long-term liabilities rose from NOK 962.2 million to NOK 1,228.4 million. The Group's short term liabilities were reduced from NOK 422.1 million to NOK 344.5 million.

Total capital at the end of 2007 was NOK 2,894.4 million, compared with NOK 2,269.5 million the year before. As at 31 December 2007 the Group had an equity ratio of 45.6 per cent, compared with 39 per cent on the same date in 2006.

A healthy financial position is considered to be a vital factor in the Group's strategy for further growth and profitability. The board of directors will continue to place great emphasis on achieving this.

Cash Flow

The overall cash flow from operating activities totalled NOK 251.3 million in 2007. Cash flow from investing activities can largely be ascribed to investments in fixed assets and acquisitions, and was negative in the amount of NOK 345.5 million. Cash flow from financing activities is largely associated with the share issue carried out in connection with the company's stock market flotation, as well as a net change in bank funding, and was NOK 135.1 million. Net cash flow for the period was NOK 40.9 million.

The Group thereby increased its reserves of cash and cash equivalents during 2007. Cash and cash equivalents totalled NOK 47.9 million at the end of 2007, compared with NOK 7.0 million at the start of the year. Together with established bank drawing rights the Group's liquidity and financial strength are considered to be very good. The board is satisfied that the company is well placed to finance further growth.

OPERATIONAL RISK AND RISK MANAGEMENT

The Group's business operations will normally be associated with certain risks. The largest risk for SalMar is the development of its biomass, both with respect to smolt production and marine-phase fish farming. Even though we develop and implement good routines for our own operations, it will always be important to concern ourselves with what our competitors and neighbours are doing. SalMar has, among other things, involved itself in the effort to limit the spread of the fish disease PD, which has caused major problems for some fish farmers in the Norwegian west country and Romsdal area. As part of this effort operative measures have been implemented to limit the risk of the disease spreading.

Handling these risks is a key part of the management team's tasks and duties. The Group has systems and routines to monitor these risk factors in all business areas. We place great emphasis on auditing our facilities' compliance with our quality handbook and defined standards. Any instances of non-compliances are followed up and resolved, and statistics show an improvement in key performance indicators for 2007. It is also important that our production takes place at locations which have the capacity and sustainability in line with the volumes we produce. To ensure the quality of our fish farming facilities and ensure the salmon enjoy good environmental conditions, we carry out routine measurements and perform so-called environmental surveys of our fish farming facilities and locations.

The EU is the Norwegian aquaculture industry's most important market. However, exports of Norwegian salmon to the EU are still subject to minimum price regulations. It is therefore important to investigate alternative markets for our products. An example of this is our increasing focus on markets in Asia and the Far East.

It is the CEO's responsibility to ensure that the Group operates in compliance with all relevant legislation and the operating guidelines laid down in the various divisions. Follow-up and control of the risk factors, as well as compliance with the Group's values and code of conduct, is a line management responsibility and part of day-to-day operations.

FINANCIAL RISK AND RISK MANAGEMENT

The follow-up of internal auditing procedures associated with financial reporting is undertaken as part of management's day-to-day supervision, the process owners' follow-up and the auditor's independent testing. Non-compliances and improvement areas are addressed and remedial measures implemented. Financial risk is managed by a central unit at head office, and financial hedging instruments are used where appropriate. The auditor has confirmed that, with respect to its financial reporting, the Group has satisfactory internal auditing systems.

Foreign exchange risk

Changes in exchange rates represent both a direct and indirect financial risk for the Group. Foreign currency revenues and assets denominated in foreign currencies are partly hedged by means of forwards contracts. Foreign exchange exposure linked to operations is, however, limited, since the purchase of input factors and the sale of products take place largely in NOK (Norwegian kroner). Use of forward currency contracts is described in Note 20 to the financial statements.

Interest rate risk

The debt portfolio is currently at floating interest rates, which means that the Group is affected by changes in the level of interest rates.

Credit risk

The risk of a counterparty not having the financial resources to meet his obligations is considered low, since, historically, losses resulting from bad debts have been small. The Group does not have any significant credit risk associated with any individual counterparty or counterparties which may be considered a group due to similarities in the credit risk they represent. The Group has guidelines to ensure that sales are made only to customers which have not previously had material payment problems, and that outstanding sums do not exceed defined credit limits. A proportion of the Group's accounts receivable are insured against bad debts.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by maintaining a flexible financing structure which is secured by means of established credit facilities. The Group's objective is to have sufficient cash, cash equivalents or medium-term credit facilities to meet its borrowing requirement in the short term. Unused credit facilities are described in the Statement of Cash Flow. The Group's substantial equity ratio, its prospects for future profits and current credit facilities mean that the board considers the Group's liquidity risk to be low at present.

RESEARCH & DEVELOPMENT

SalMar focuses strongly on the development of scientific, technical and process competence in all its business areas. The SalMar School collects, develops and disseminates knowledge and "best practices" throughout the organisation. At the same time, the management of each business area is responsible for identifying and implementing projects and initiatives which can help to expand the Group's overall competence as well as strengthen the technical and practical solutions which will be used at the planned InnovaMar facility. When the new plant is completed it will contain totally new applications for technical solutions and innovative work processes related to the harvesting and processing of salmon.

ANNE STRØM NAKSTAD

Mrs Nakstad is the majority owner and chief executive of the investment and real estate companies Trondhjem Preserving AS and TPC Eiendom AS, whose boards she also chairs. She is a former manager of Sparebank 1 Midt-Norge and holds a degree in economics and business administration from the University of Denver. She joined SalMar's board of directors in December 2006. Mrs Nakstad owns 12,000 shares in SalMar ASA through Foki AS, in which she holds a 78.3% stake.

BJØRN IVAN ESPNES

Employee representative
Mr Espnes has been an employee of SalMar since 1993; initially as a fish farm technician, from 1997 onwards as operations manager. Mr Espnes has trained in industrial mechanics and aquaculture. He has been the employees' representative on SalMar's board since 1996. Mr Espnes owns 1,200 shares in SalMar ASA.

During 2007 the Group was involved in a number of R&D projects. These focused, among other things, on vaccination strategies at the hatcheries, improving production efficiency at the fish farms, ensuring fish are not unduly stressed when harvested, as well as profitable and innovative processing of harvested salmon.

In collaboration with Meralliance in France, SalMar has developed its own specification for the production of fish used as a raw material for smoked salmon, under the brand-name "Label Rouge". Although current volumes are relatively modest, we are expecting to see an increase in this product in the time ahead.

GOING CONCERN

With reference to the Group's profits, financial strength and long-term forecasts for the years ahead, it is confirmed that the financial statements for 2007 are based on the assumption that SalMar is a going concern. In the opinion of the board, the Group's financial position is strong. .

DIVIDEND POLICY

SalMar's objective is to provide its shareholders with a competitive return on their invested capital, given the company's risk profile. This return shall be achieved through a combination of share price increase and the payment of a dividend by the Group. The Group plans to pay out its surplus liquidity (liquidity not needed for the Group's day-to-day operations and future development) as a dividend or a capital reduction with a payout to the shareholders. The Group will also periodically assess whether any available liquidity should be used for new investments or the repayment of debt rather than being paid as a dividend. The company will also consider whether to buy back its own shares within the framework of the authorisations granted to the board of directors by the annual general meeting.

PARENT COMPANY ACCOUNTS AND ALLOCATION OF PROFIT FOR THE YEAR

The parent company SalMar ASA made a net profit for the year of NOK 57.6 million. The board of directors proposes that a dividend of NOK 3 per share be paid, totalling NOK 113.3 million. The board thereby proposes the following allocation of funds:

- To dividend NOK 113.3 million
- Other equity NOK -55.7 million
- Total NOK 57.6 million

Following the payment of dividend the company has a distributable equity of NOK 29 million.

HEALTH, SAFETY AND THE ENVIRONMENT (HSE)

Consideration for health, safety and environmental issues is one of SalMar's core values. Efforts are continuously being made to prevent incidents which may cause injury to staff, or harm to tangible or intangible assets and the external environment.

That SalMar's employees are in good health and work in safe and healthy surroundings is a competitive advantage, both in the process of recruiting and retaining staff, and with respect to sustainable business development. The Group has therefore taken steps to provide a company health service, as well as many general activities in which employees may participate. Both of these factors help to strengthen the individual employee's motivation, as well as their physical and mental health.

SalMar is making a determined effort to reduce absence due to illness among its staff. Throughout 2007 measures were implemented to reduce absence and improve the individual's work situation. Among these initiatives are the individual adjustment of the working environment, the provision of massage therapy and the provision of access to a swimming pool and therapy pool.

Long-term absence due to illness in 2007 was 6.58 per cent, compared with 5.36 per cent the year before. Efforts are being made to implement preventive measures as well as adjust the work situation to the individual employee's needs. Short-term absence due to illness was 2.44 per cent in 2007, compared with 2.42 per cent the year before. A total of 24 work-related injuries were recorded during the year.

As a steward of considerable natural resources SalMar also has a significant responsibility with regards to the environment. For this reason the Group makes every effort to make as little impact on the environment and community-held property as possible. This is achieved through a number of measures, including strictly controlled waste management at all levels, the vaccination of all juvenile fish to reduce the risk of disease and its spreading, and a zero-tolerance for incidents of its own making which could lead to the escape of fish from its farming facilities. SalMar delivers all by-products from its harvesting and processing facilities to Nutrimar AS, which uses them to produce fish meal and fish oil. In this way, SalMar ensures that "the entire fish" is utilised and that value added is generated from what would otherwise go to waste. The Group engages in close cooperation with both private and public sector bodies and institutions in the field of fish health.

HUMAN RESOURCES AND ORGANISATION

The parent company SalMar ASA has its headquarters in Frøya and had 14 employees at the end of 2007. The Group as a whole had around 480 employees, of whom approx. 150 were women. It is SalMar's clear objective to be a workplace in which there is complete equality between the genders and between various ethnic groups.

SalMar's development and the solid results created by Group over a number of years is due to the hard work of all the Group's employees. Their positive attitudes and perseverance has always played an important part in SalMar's success. Through the SalMar School and day-to-day exposure to the Group's performance-based corporate culture, all employees are stimulated to develop and grow as individuals.

Maintaining and developing a corporate culture and values which have been built up over many years is a major challenge. It is particularly demanding, given the growth the company has experienced. Great emphasis will continue to be placed on corporate culture and values in the time ahead, so that SalMar can retain its position and be acknowledged as "one of the world's leading integrated fish farming companies".

Efforts are being made to secure access to qualified personnel at all levels in the organisation. Emphasis is placed on managers at all levels striving to offer employees a good working environment, meaningful job content, as well as fair and competitive pay.

At its processing plant in Frøya the Group employs people from approx. 16 different countries. This places increased demands on management to ensure that all employees understand the SalMar culture, as well as perform their tasks correctly and efficiently. SalMar has organised English language tuition for foreign employees to facilitate day-to-day communication for all parties. SalMar also devotes internal resources to assisting its employees, such as finding accommodation for those who require assistance.

CORPORATE GOVERNANCE

SalMar has carried out a thorough review of its principles for corporate governance, and the Group's rules and guidelines have been compared with the Norwegian Code of Practice for Corporate Governance. These principles are discussed in detail in a separate chapter of the annual report.

The Group's board of directors comprises five members elected by the shareholders and one employee representative. Two of the shareholder-elected directors are women. This corresponds to a female representation of 40 per cent, which is in accordance with Norwegian legislation.

CORPORATE SOCIAL RESPONSIBILITY

SalMar has business operations in many local communities. In a number of these the Group is a major employer and local taxpayer, as well as supporter of local voluntary associations and sports clubs.

SalMar wishes to help all its employees, their families and local communities to benefit from the Group's presence and financial success. In recent years SalMar has made a direct financial contribution to all the local authorities in which we are located by donating NOK 0.05 per kg of salmon and NOK 0.05 per smolt that we have produced there. In the past two years this has resulted in a total of NOK 7 million to be distributed between these local authorities, with the funds going to cultural and business development activities. SalMar wishes to maintain a constructive and continuing dialogue with elected officials and other business leaders in these local communities. The company is convinced that such a policy is of benefit to all parties.

OUTLOOK

Through hard work and dedication over many years SalMar has built up a strong position in a growing aquaculture industry. Norway in general, and Central Norway in particular, affords excellent natural fish farming conditions, and SalMar will continue to manage these resources in the best possible way for its shareholders, employees, customers and affected local communities.

Based on SalMar's competitive and financial position, as well as the salmon market's development, the board sees exciting times ahead. SalMar will continue to grow its farming activities, the building of the InnovaMar plant will increase the company's processing capacity, our expertise within sales and distribution will be strengthened, and the SalMar corporate culture will be developed further.

The industry is still developing rapidly, and it is SalMar's clear objective to maintain its position as one of the world's leading integrated aquaculture companies and continue to deliver strong financial results. In the opinion of the board, SalMar is very well positioned to achieve this.

SYNNØVE G. ERVIK

Mrs Ervik is the CEO of Erviks Laks og Ørret AS, which is co-owned by her family through KSE Ervik AS. She took over as CEO in 2000 after having worked for the company for more than 20 years. Mrs Ervik chairs the board of KSE Ervik AS. She joined SalMar's board of directors in April 2006. Mrs Ervik owns 1,000 shares in SalMar ASA.

Trondheim, 28. April 2008

Bjørn Flatgård
Chairman of the board

Synnøve G. Ervik
Director

Anne Strøm Nakstad
Director

Gustav Witzøe
Director

Kjell A. Storeide
Director

Bjørn Ivan Espnes
Director / Employee representative

Leif Inge Nordhammer
President & CEO

CONSOLIDATED financial statements

SalMar Consolidated Profit and loss statement

OPERATING REVENUES AND OPERATING EXPENSES	NOTE	NOK 1000 2007	NOK 1000 2006	NOK 1000 2 005
Sales revenues	2	1 665 530	1 240 668	866 584
Other operating revenues		12 157	7 896	4 867
Total operating revenues		**1 677 687**	**1 248 564**	**871 451**
Change in stocks of goods in progress and finished goods (cost principle)		-47 750	-131 612	-27 362
Excess value of inventory from acquisitions		17 641	8 617	0
Cost of goods sold		836 652	643 547	456 871
Salaries and payroll costs	3, 12	217 808	131 913	119 766
Depreciation of PP&E and intangible assets	5,6	50 671	37 874	27 267
Other operating costs	3,4	191 270	110 851	85 220
Total operating expenses		**1 266 292**	**801 191**	**661 764**
Operating profit before fair value adjustment of the biomass		**411 395**	**447 373**	**209 687**
Fair value adjustment of the biomass	9	94 234	63 676	40 785
Operating profit		**505 629**	**511 049**	**250 472**
FINANCIAL INCOME AND FINANCIAL EXPENSES				
Income from investment in associated company	7	31 600	91 752	73 711
Other interest income		4 706	738	384
Other financial income		364	12 223	16 460
Interest paid to group companies		0	7 226	2 727
Other interest expenses		47 104	21 789	18 671
Other financial expenses		13 935	9 430	443
Net financial items		**-24 369**	**66 267**	**68 713**
Profit before tax		**481 260**	**577 316**	**319 185**
Tax	14	129 431	132 231	66 966
Net profit		**351 829**	**445 085**	**252 219**
NET PROFIT FOR THE YEAR		**351 829**	**445 085**	**252 219**
Minority's share of net profit		-49	65	-5
Majority's share of net profit		351 878	445 019	252 224
Earnings per share/diluted earnings per share	22	3,45	4,45	2,52

BALANCE Sheet as at 31 December

ASSETS	NOTE	NOK 1000 2007	NOK 1000 2 006
FIXED ASSETS			
INTANGIBLE ASSETS			
Licences, patents, etc	5	1 009 335	711 503
Deferred tax assets	14	0	0
Goodwill	5	69 139	56 155
Total intangible assets	15	**1 078 475**	**767 658**
PROPERTY, PLANT & EQUIPMENT			
Land, buildings and other real estate	6	58 342	50 674
Machinery, plant and operating consumables	6	273 569	224 681
Boats, vehicles, etc	6	16 311	31 254
Total property, plant & equipment	6, 15	**348 222**	**306 609**
LONG-TERM FINANCIAL ASSETS			
Investments in associated company	7, 15	258 203	261 790
Investments in shares	8, 15	1 001	762
Pension fund assets		1 119	301
Other receivables	3, 10	7 530	9 317
Total long-term financial assets		**267 853**	**272 170**
Total fixed assets		**1 694 549**	**1 346 436**
CURRENT ASSETS			
Biological assets	9, 15	905 675	701 017
Other inventory	9, 15	63 979	53 398
Total inventory		**969 654**	**754 416**
RECEIVABLES			
Accounts receivable	10, 15	124 325	110 156
Receivable from parent company		165	295
Other receivables	15	57 321	51 249
Total receivables		**181 811**	**161 700**
Bank deposits, cash & cash equivalents	21	47 809	6 950
Total current assets		**1 199 273**	**923 066**
TOTAL ASSETS		**2 893 822**	**2 269 502**

EQUITY AND LIABILITIES	NOTE	NOK 1000 2007	NOK 1000 2 006
EQUITY			
PAID-IN EQUITY			
Share capital	11	25 750	25 000
Share premium fund		112 880	0
Other paid-in equity		6 547	0
Total paid-in equity		**145 176**	**25 000**
RETAINED EARNINGS			
Reserves		1 176 832	859 516
Total retained earnings		**1 176 832**	**859 516**
Minority interests		649	698
Total equity		**1 322 657**	**885 214**
LIABILITIES			
PROVISIONS			
Pension liabilities	12	2 741	3 364
Deferred tax	14	460 067	336 102
Total provisions		**462 808**	**339 465**
OTHER LONG-TERM LIABILITIES			
Debt to credit institutions	13, 15	687 336	525 498
Other long-term liabilities	13, 15	77 721	97 239
Total other long-term liabilities		**765 057**	**622 737**
CURRENT LIABILITIES			
Debt to credit institutions	13, 15	88 394	149 474
Accounts payable		98 713	148 380
Tax payable	14	89 867	79 007
Debt to parent company	13	0	0
Public duties payable		22 076	11 364
Other current liabilities		44 250	33 860
Total current liabilities		**343 300**	**422 085**
Total liabilities		**1 571 165**	**1 384 288**
TOTAL EQUITY AND LIABILITIES		**2 893 822**	**2 269 502**

Trondheim, 28. April 2008

Bjørn Flatgård
Chairman of the board

Gustav Witzøe
Director

Synnøve G. Ervik
Director

Kjell A. Storeide
Director

Anne Strøm Nakstad
Director

Leif Inge Nordhammer
President & CEO

Bjørn Ivan Espnes
Director/ Employee representative

Statement of CASH FLOW

	NOK 1000	NOK 1000
	2007	**2006**
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	481 260	577 316
Tax paid during the period	-67 515	-43 831
Ordinary depreciation	50 671	37 874
Options	6 547	0
Profit/loss from associated companies	-31 600	-91 752
Gains/losses on sale of shares	-16	-11 165
Gains/losses on sale of fixed assets	-6 480	-2 335
Change in inventory/biological assets	-107 745	-204 101
Change in accounts receivable	1 896	1 308
Change in accounts payable	-81 626	-5 984
Change in other currents assets and other liabilities	9 856	-11 928
Net cash flow from operating activities	**255 248**	**245 401**
CASH FLOW FROM INVESTMENT ACTIVITIES		
Proceeds from sale of property, plant & equipment	36 439	6 691
Payments for purchase of property, plant & equipment	-102 118	-136 187
Proceeds from sale of long-term financial assets	16	64 538
Payments for purchase of long-term financial assets	-277 234	-348 562
Net cash flow from investing activities	**-342 897**	**-413 520**
CASH FLOW FROM FINANCING ACTIVITIES		
Change in long-term debt	142 580	185 348
Net change in overdraft	-126 565	15 745
Buyout of minority interests	0	0
Change in debt to parent company	0	-28 988
Net receipts from share issue (equity)	112 476	0
Net cash flow from financing activities	**128 491**	**172 105**
Net change in bank deposits, cash & cash equivalents	40 842	3 987
Translation differences from foreign subsidiaries	16	0
Bank deposits, cash & cash equivalents as at 1 Jan	6 950	2 964
Bank deposits, cash & cash equivalents as at 31 Dec	**47 809**	**6 950**
Unused drawing rights	370 668	376 565

Changes in EQUITY

NOK 1000

2006	Share capital	Share premium fund	Other paid-in equity	Reserves	Minority interests	Total equity
Equity as per 1 Jan 2006	**1 000**	**0**	**0**	**405 953**	**633**	**407 585**
Net profit to equity				445 019	65	445 085
Translation differences in associated companies				3 239		3 239
Formation of Group - effect of gradual acquisition				28 785		28 785
Total profit for the period				**477 043**	**65**	**477 108**
Equity transactions in associated companies				521		521
Bonus issue	24 000	0	0	-24 000		0
Equity as per 31 Dec 2006	**25 000**	**0**	**0**	**859 517**	**698**	**885 215**

NOK 1000

2007	Share capital	Share premium fund	Other paid-in equity	Reserves	Minority interests	Total equity
Equity as per 1 Jan 2007	**25 000**	**0**	**0**	**859 517**	**698**	**885 215**
Net profit to equity				351 878	-49	351 829
Translation differences in associated companies				-34 488		-34 488
Translation differences in subsidiaries				16		16
Formation of Group - effect of gradual acquisition				75		75
Total profit for the period				**317 481**	**-49**	**317 432**
Equity transactions in associated companies				-168		-168
Options			6 547			6 547
Share issue	750	112 880				113 630
Equity as per 31 Dec 2007	**25 750**	**112 880**	**6 547**	**1 176 830**	**649**	**1 322 657**

NOTES to the financial statements for 2007

Note 1

Accounting principles

SalMar ASA is a registered company in Norway, whose shares are freely transferable on the Oslo Stock Exchange. The company's headquarters are located in Frøya. The financial statements for the year were approved by the board of directors on 28 April 2008.

The consolidated financial statements have been drawn up in accordance with IFRS and interpretations determined by the International Accounting Standards Board that have been adopted by the EU and are stipulated in the Norwegian Accounting Act.

The consolidated financial statements are based on the principles of historic cost accounting, with the exception of the following accounting items that are posted at fair value:

- Biological assets (Note 9)
- Forward foreign exchange constracts (Note 20)

CONSOLIDATION PRINCIPLES

The consolidated financial statements include SalMar ASA and those subsidiaries over which SalMar ASA has a controlling influence either in law or in fact. A controlling influence is normally deemed to exist when ownership, directly or indirectly, exceeds 50 per cent of the voting capital. Newly acquired subsidiaries are included from the date on which a controlling interest is secured, and divested subsidiaries are included up until the date of divestment. The consolidated accounts have been prepared in accordance with uniform accounting principles for similar transactions in all the companies included in the consolidated accounts. All material transactions and balances between group companies have been eliminated.

Shares in subsidiaries have been eliminated in the consolidated financial statements in accordance with the acquisition method. This means that the acquired company's assets and liabilities are reported at fair value on the date of acquisition, with any excess value being classified as goodwill. For partly owned subsidiaries, only SalMar's share of goodwill is included in the balance sheet . Where the fair value of the assets acquired exceeds the consideration paid, the difference is treated as revenue in the profit and loss account. Deferred tax is capitalised to the extent to which identifiable excess values ascribed to assets and liabilities lead to an increase or decrease in future tax payable when these differences are reversed in future periods. Deferred tax is capitalised and calculated using a nominal, undiscounted tax rate.

When shares are acquired in stages, the value of the assets and liabilities on the date the Group was formed is utilised. Later acquisition of assets in existing subsidiaries will not affect the value of assets or liabilities, with the exception of goodwill which is calculated with each acquisition.

Acquisitions made before 1 January 2005 were not adjusted in connection with the transition to IFRS (permitted option).

Investments in companies in which the Group has a considerable interest (associated companies) are treated in accordance with the equity method in the consolidated accounts. A considerable influence is normally deemed to exist when the Group owns 20-50 per cent of the voting capital. The Group's share of the profits in such companies is based on the profit after tax, less internal gains and depreciation on excess value due to the cost price of the shares being higher than the acquired portion of book equity. In the profit and loss account the profit share is shown under financial items, while the assets are shown in the balance sheet under long-term financial assets. The accounting principles used by associated companies have been modified where necessary to achieve consistency with the principles used by the Group as a whole.

THE SALMAR ASA GROUP

The SalMar ASA Group has acquired the following shares in subsidiaries during 2007:

- 100% of the shares in Halsa Fiskeoppdrett AS, including the subsidiary Straumsnes Settefisk AS, acquired by SalMar Farming AS.

- 100% of the shares in Henden Fiskeoppdrett AS and Einar Rangøy AS, acquired by SalMar Farming AS.

- 100% of the shares in Arctic Salmon AS, acquired by Senja Sjøfarm AS.

See Note 7 for further information

The consolidated financial statements comprise:

SalMar ASA	Parent company
• Astamarin AS	100 %
• Follasmolt AS	100 %
• Langsteinfisk AS	60 %
• SalMar Farming AS	100 %
• Halsa Fiskeoppdrett AS	100 %
• Straumsnes Settefisk AS	100 %
• Henden Fiskeoppdrett AS	100 %
• Einar Rangøy AS	100 %
• Senja Sjøfarm AS	100 %
• Troms Stamfiskstasjon AS	100 %
• Arctic Salmon AS	100 %
• SalMar Processing AS	100 %
• SalMar Japan K.K.	100 %

MINORITY INTERESTS

The share of the profit or loss after tax attributable to minority interests is presented on a separate line after the Group's net profit for the year. The share of equity attributable to minority interests is presented on a separate line under group equity.

IMPORTANT ACCOUNTING ESTIMATES, EVALUATIONS AND ASSUMPTIONS

Preparation of the financial accounts in accordance with IFRS requires that management make evaluations, estimates and assumptions that affect the application of accounting principles and the book value of assets and liabilities in the balance sheet, as well as figures for revenue and expenses for the financial year. Estimates and their underlying assumptions are based on historical experience and other factors that have been assessed as being relevant and probable at the time the evaluations are made. These evaluations affect the book value of the assets and liabilities where the valuation is not based on other sources. Estimates are reviewed continuously and final values and results may differ from these estimates. Changes in accounting estimates are included in the period the changes occur.

The evaluations and estimates deemed to be of greatest significance for the Group are as follows:

Fair value adjustments of the biomass

In accordance with IAS 41 the Group values live fish at fair value. The estimate of fair value is based on market prices on the balance sheet date in the respective markets in which the Group operates. The calculation of fair value is based on estimates for volume, quality and normal harvesting and sales costs.

Fair value adjustments of the biomass based on these estimates has no impact on cash flow and does not affect profit before fair value adjustment of the biomass.

Goodwill and intangible assets

The book value of goodwill and intangible assets with an indeterminate lifespan is tested for impairment at least once a year, and more frequently if there are indications that a write-down may be necessary. This requires an estimate of the utility value of the cash-flow generating entity to which goodwill and intangible assets can be ascribed. To determine the utility value the Group must estimate the expected future cash flows from the cash-flow generating entity and, moreover, select a suitable discount rate with which to calculate the present value of these cash flows. Expectations regarding future cash flows will vary over time. Changes in market conditions and expected cash flows may result in future write-downs. The most important assumptions with an impact on the present value of cash flows associated with investments are the applicable discount rate, the estimated price of salmon in the Group's markets, production costs, production volume and that there will continue to be a market for salmon in the geographical areas in which it operates.

Fair value at acquisition

When a business is acquired, the Group capitalises the business's assets, liabilities and contingent liabilities, provided that the fair value of these can be reliably measured. To capitalise fair values the cost price is allocated between the acquired assets and liabilities, and this can lead to the posting of goodwill. To determine fair values at acquisition an assessment must be made of the reliability of the information available with respect to the acquired assets, liabilities and contingent liabilities. Normally, no active market exists for assets and liabilities acquired in connection with a business acquisition. Alternative methods must therefore be used to determine their fair value. Changes in estimates would lead to balance sheet reclassifications and could have an impact on depreciation in subsequent periods.

Any management evaluations, made in connection with the application of IFRS standards and having an impact on the accounts, as well as estimates which are likely to be subject to material adjustment in the next financial year, are described in separate notes. This applies particularly to the valuation of the biomass (Note 9) and the valuation of goodwill and licences (Note 5).

REVENUES

Revenues from the sale of goods are taken to income as they accrue, ie when both risk and control have been largely transferred to the customer. The timing of this transfer depends on the term of the sales agreement.This will normally occur when the goods are delivered to the distributor (i.e. FCA Plant). In som e instances the transfer of risk is deemed to occur when the goods are deliverd to the purchasers designated adress, (i.e. CIF). Revenue is posted at the value of the consideration when the transaction takes place. Operating revenues are posted less public duties, discounts, bonuses and other sales costs.

Dividend is taken to income when the shareholders' right to receive a dividend has been approved by the annual general meeting.

GOVERNMENT GRANTS

Operating grants are allocated periodically and classified together with the revenue they are intended to augment or the cost they are intended to reduce.

SEGMENT REPORTING

Fundamentally, the Group has one business area: the farming of salmon and trout. The Group operates fish farming facilities in Central Norway and Northern Norway. The Group therefore breaks down its reporting figures into geographical segments based on production location. Depreciation and the realisation of excess values on tangible and intangible assets from acquisitions that have been finalised are not assigned to the segments. Costs relating to options and profit/loss from the subsidiary SalMar Japan K.K are also included in the eliminations column.

Financial information relating to group segments is presented in Note 2

CLASSIFICATION PRINCIPLES

Liquid assets consist of cash, bank deposits and other short-term investments which can be converted into cash within a period of three months.

Assets which form part of the production cycle or fall due for payment within 12 months are classified as current assets. Other assets are classified as fixed assets. Liabilities which form part of the production cycle or fall due for payment within 12 months are classified as current liabilities. Other liabilities are classified as long-term.

Any proposed dividend is not capitalised as a liability until the Group has assumed an irrevocable obligation to pay the dividend, normally after it has been approved by the annual general meeting.

The next year's instalment on long-term debt is classified as a current liability. Changes in the fair value of biological assets are presented on a separate line under operating profit/loss. Operating profit/loss is reported before fair value adjustment of the biomass in order to show the Group's underlying sales performance during the period.

FOREIGN EXCHANGE

The consolidated accounts are presented in Norwegian kroner (NOK), which is the Group's functional currency. All transactions in foreign currencies are translated into NOK at the time the transaction takes place. In the balance sheet, monetary items in foreign currencies are translated at the exchange rate in effect on the balance sheet date. The Group endeavours to hedge against fluctuations in the foreign exchange market by using forward contracts. Pr 31. December 2007 no financial instruments are treated in accordance with rules governing hedge accounting. Fair value of all currency hedging instruments are calculated at the balance sheet date using market rates for contracts with similar profiles. Changes in the fair value of the instruments are posted in profit and loss account as financial items if they do not fulfill requirements for hedge accounting. Financial derivatives are classified av current assets or short term debt in the balance sheet.

BORROWING COSTS

Borrowing costs are charged as expenses as they occur. Expenses incurred in connection with new loans are posted as a reduction in the amount of the loan. Interest-bearing debt is quantified at amortised cost using the effective interest method.

ACCOUNTS RECEIVABLE

Accounts receivable and other receivables are recognised at face value less a provision for bad debts. Provisions for bad debts are made on the basis of an individual assessment of the receivable concerned. Due to insignificant transaction costs and the short credit period, amortised cost is the same as face value less foreseeable losses.

INVENTORY

Inventory consists of feed, packaging materials, fry, live fish in the sea and processed fish. Stocks of feed, packaging materials, fry and processed fish are valued at the lower of cost and net realisable value. The cost price of goods produced in-house is the full production cost. The FIFO principle is used in connection with the periodic assignment of inventory costs. Fish in the sea are valued at fair value. Finished and frosen products are valued at the lower of cost (fair value at time of harvest) and net realisable value.

BIOMASS

The Group values live fish at fair value. The estimate of fair value is based on the reported sales price for harvested salmon of the same size, less estimated sales costs. Sales costs include costs required to sell the fish, but exclude costs required to bring the fish to market. The fair value of live, but not yet harvestable salmon is set pro rata as a proportion of the fair value of harvestable salmon to reflect how far it has come in its lifecycle. Where the cost price of live, but not yet harvestable salmon exceeds fair value, the cost price for live, but not yet harvestable salmon is applied, unless a write-down is required. The period immediately prior to harvesting makes estimating the fair value of not yet harvestable fish more uncertain than estimating the value of harvestable fish.

See Note 9 for further information regarding the principles employed.

FIXED-PRICE CONTRACTS

The Group enters into sales contracts for salmon products on an ongoing basis. The contracts involve physical settlement, and deliveries associated with the contracts form part of the Group's normal business activities. The contracts are therefore not financial instruments under IAS 39. The contracts contain no built-in derivative elements. Provisions are made with respect to fixed-price contracts which result in the Group being obliged to sell harvestable fish at a price lower than that which is used to determine the fair value of live fish.

PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment are capitalised at acquisition cost, less accumulated depreciation and write-downs. When assets are sold or divested, the book value is deducted and any loss or gain posted to profit and loss. Ordinary depreciation commences from the date on which the asset goes into normal operation, and is calculated on the basis of expected usable life of the asset. Depreciation is assigned in a straight line over the expected usable life, adjusted for any residual value. If an asset comprises significant components with varying lifespans, these components are depreciated separately. The residual value of the property, plant and equipment, as well as the depreciation period and depreciation method employed, are reassessed annually.

Facilities under construction are not depreciated. Depreciation is charged to expenses when the facilities are ready for use.

If the situation or circumstances indicate that the book value of an asset cannot be recovered, an assessment is made about whether to write down its value. If the recoverable value of the asset is lower than the book value and the impairment is not expected to be temporary, the asset is written down to the recoverable value. The recoverable value is the higher of net sales price and value in use. Value in use is the present value of the future cash flows which the asset will generate.

LEASING

Operating assets which are leased on terms which transfer the bulk of the financial risk and control to the company (financial leasing) are recorded in the balance sheet as property, plant and equipment, and the corresponding leasing liability is included at the present value of the leasing payments. The asset is depreciated systematically and the liability is reduced by the amount of lease paid, less a calculated interest cost. The depreciation period is consistent with similar assets which are owned by the Group, or shorter if the leasing period is shorter.

Leasing payments with respect to operational leasing agreements are classified as operating expenses and are posted to profit and loss in a straight line over the term of the contract.

INTANGIBLE ASSETS

Intangible assets that are purchased individually are capitalised at acquisition cost. Intangible assets acquired in connection with the purchase of a business entity are capitalised at acquisition cost when the criteria for separate posting are met.

Intangible assets with a limited economic lifespan are depreciated systematically. Intangible assets are written down to their recoverable value if the expected financial benefits do not cover their book value and any remaining production costs.

Costs relating to research and development are charged as expenses as they accrue. R&D costs are capitalised when specific criteria are met. R&D costs are capitalised at acquisition cost, less accumulated depreciation and write-downs. Capitalised R&D costs are depreciated in a straight line over the asset's estimated period of use.

Licences are capitalised at cost, less accumulated write-downs. Licences are not depreciated, but are tested annually for impairment. Licence leasing agreements where the Group is deemed to have assumed the bulk of the risk and benefits are capitalised as intangible assets.

When another business entity is taken over for a consideration that exceeds the value of the individual assets, the difference is entered as goodwill in the balance sheet. Goodwill deriving from the purchase of subsidiaries is included under intangible assets, while goodwill deriving from the acquisition of associated companies is included under shares in associated companies. Goodwill is entered at historic cost, less accumulated depreciation up to 2004.

Goodwill is not depreciated (after 1 January 2005), but is tested for impairment annually or more often if there are indications that its value is lower than book value. When assessing the need to write down goodwill, this is assigned to relevant cash flow-generating units or those groups which are expected to benefit from the acquisition. Write-downs are performed in accordance with an assessment of the recoverable value of each of the cash flow-generating units to which the goodwill is assigned. To identify the Group's cash flow-generating units the assets are grouped according to the lowest level to which separate and independent cash flows may be ascribed. Recoverable value is calculated on the basis of value in use. This is arrived at by estimating future cash flows for the next three years based on approved budgets and forecasts. Cash flows after three years are assumed to be constant and are unweighted. Cash flows are discounted by a rate of interest before tax which takes account of relevant market risk. If the calculated value in use is lower than the book value of the cash flow-generating unit, goodwill is written down first and then other assets as required.

FINANCIAL INSTRUMENTS

In accordance with IAS 39, financial instruments falling within its remit are classified in the following categories: fair value with changes in value posted to profit and loss, held until maturity, loans and receivables, available for sale, and other liabilities.

Fianancial assets at fair value affecting the results

Financial instruments which are held primarily for the purpose of buying or selling in the short term are classified as being held for trading purposes. These instruments are included in the category of financial instruments recognised at fair value with changes in value posted to profit and loss, alongside forward currency contracts that are recognised at fair value with changes in value posted to profit and loss.

Loans given and receivables

Loans given and reveivables are valued at amoritsed cost using effective interest rate method, reduced for any reduction in value. Due to immaterial transaction costs and short time of credit amortised cost equals nominell value less estimated losses due to default.

Financial assets available for sale

Financial assets available for sale are valued at fair value adjusted for any changes in fair value, with the exception of losses due to loss in value, offset against shareholders' equity.

PENSIONS

The net pension costs for the period are included under salaries and payroll costs. Pensions are recognised on the basis of a linear accrual profile, with accrual based on expected final salary. Changes in plan and estimate differences are amortised over the expected remaining accrual period.

In connection with the transition to IFRS, the Group has made use of a permitted option to charge accumulated estimate differences to equity as of 1 January 2005. Employers' national insurance contributions are included in the figures.

The Group switched from a defined-benefits to a defined-contribution pension scheme with effect from May 2006. Any effects deriving from the change were posted to profit and loss. Pension premiums payable in connection with the defined contribution scheme are charged to expenses as they accrue. The Group has no other liability over and above the annual payment.

OPTIONS

The fair value of share options is set on the date they are granted, using accepted valuation models adapted to the characteristics of the options in question. The value of the options thus set is posted to profit and loss periodically over the option's accrual period, with a corresponding increase in paid-in equity. The accrual period is the period from the establishment of the scheme until the options are fully occur.

TAX

The tax expense is matched against the profit/loss before tax as it appears in the accounts. Tax ascribable to equity transactions is taken to equity. The tax expense comprises tax payable (tax on the year's direct taxable income) and changes in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

Deferred tax in the balance sheet is a nominal amount calculated on the basis of temporary differences between accounting and tax values, as well as the taxable loss carried forward at the end of the financial year.

Deferred tax assets are capitalised when it is deemed probable that a future taxable income will make it possible to realise the asset. Deferred tax is calculated on the difference between the accounting and taxable values of licences.

PROVISIONS

A provision is recognised when, and only when, the company has a valid liability (legal or self-imposed) deriving from an event which has occurred, and it is probable (more likely than not) that a financial settlement will take place as a result of that liability, and that the amount in question can be reliably quantified. Provisions are reviewed on each balance sheet date, and the level reflects the best estimate for the liability.

EVENTS AFTER THE BALANCE SHEET DATE

New information regarding the company's financial position on the balance sheet date, which is received after the balance sheet date, has been recognised in the annual accounts. Events after the balance sheet date which do not affect the company's financial position on the balance sheet date, but which will affect the company's future financial position are reported if material.

STATEMENT OF CASH FLOW

The Group's statement of cash flow shows a breakdown of the Group's overall cash flow into operating, investing and financing activities. The statement shows the individual activity's impact on liquid assets. The cash flow deriving from the acquisition and sale of businesses is presented under investing activities.

GROUP RESTRUCTURING

Flatanger Akva AS, AS Sjøfôr, Aure Havbruk AS and Manar Ulfsnes AS merged with the acquiring company SalMar Farming AS with effect, for accounting purposes, from 1 January 2007. The companies were wholly owned subsidiaries of SalMar Farming AS. The merger was carried out in accordance with the simplified rules for intra-group mergers, cf. Section 13-23 of the Companies Act. The merger is recognised using the continuity method. SalMar Farming AS is a wholly owned subsidiary of the Group's parent company, and the merger has no effect on the consolidated accounts.

Furthermore, Tranøy Fiskekjøp AS and Senja Bulk AS have merged with the acquiring company Senja Sjøfarm AS with effect, for accounting purposes, from 1 January 2007. The companies were wholly owned subsidiaries of Senja Sjøfarm AS. The merger was carried out in accordance with the simplified rules for intra-group mergers, cf. Section 13-23 of the Companies Act. The merger is recognised using the continuity method. Senja Sjøfarm AS is a wholly owned subsidiary of the Group's parent company, and the merger has no effect on the consolidated accounts.

IFRS AND IFRIC INTERPRETATIONS THAT HAVE NOT YET BEEN IMPLEMENTED

The following standards and interpretations had been issued but had not yet come into force on the date the financial statements were approved.

- IFRIC 11 IFRS 2 "Group and Treasury Share Transactions"
- IFRIC 12 "Service Concession Arrangement"
- IFRIC 13 "Customer Loyalty Programmes"
- IFRIC 14 IAS 19 "The limit on a Defined Benefit Asset, Minimum Funding"

Group management will implement the interpretations concerned in the 2008 consolidated financial statements. Implementation is not expected to have a material impact on the consolidated accounts.

The Group has implemented the following new standards and interpretations for the current year. Implementation has had no impact on the consolidated accounts.

- IFRS 7 "Financial instruments – Disclosures"
- IAS 1 "Presentation of financial statements"

Voluntary IFRS standards

The following new standards and amendments to existing standards have been issued by IASB but not implemented by the Group. These will be implemented only from the date on which they become compulsory, unless otherwise determined:

- IFRS 8 "Operating segments" (applicable for the financial year starting 1 January 2009 or later)
- IAS 23 "Borrowing costs" (applicable for the financial year starting 1 January 2009 or later)

The Group has so far not come to any conclusion as to the potential impact of these new/revised standards, or whether the Group will implement them at an earlier date.

Note 2

Segment information and geographic breakdown

2007 - figures in NOK 1 000	Central Norway	Northern Norway	Other/eliminations	Group
External operating revenue	1 668 091	1 649	9 496	1 679 236
Internal operating revenue	7 473	165 108	-172 581	0
TOTAL operating revenue	**1 675 564**	**166 757**	**-163 085**	**1 679 236**
Depreciation	41 483	9 024	1 714	52 221
Operating expenses	1 209 133	142 886	-136 399	1 215 620
Operating profit before fair value adjustment of the biomass	**424 948**	**14 847**	**-28 400**	**411 395**
Fair value adjustment of the biomass	63 821	18 754	11 659	94 234
Operating profit	**488 769**	**33 601**	**-16 741**	**505 629**
Share of profit from associated companies	0	0	31 600	31 600
Net financial items	-47 036	-7 817	-1 117	-55 970
Profit before tax	**441 733**	**25 784**	**13 742**	**481 259**
Tax	123 342	7 238	-1 149	129 431
Net profit	**318 391**	**18 546**	**14 891**	**351 828**
ASSETS	1 768 075	844 037	281 710	2 893 822
- Investments in associated companies	103	-	258 100	258 203
Liabilities	949 881	599 445	22 993	1 572 319
INVESTMENTS				
- Tangible operating assets	85 274	18 179	0	103 453
- Intangible operating assets	191 038	121 329	0	312 367
Depreciation	41 483	9 024	1 714	52 221

2006 - figures in NOK 1 000	Central Norway	Northern Norway	Other/eliminations	Group
External operating revenue	1 238 431	10 133	0	1 248 564
Internal operating revenue	0	46 787	-46 787	0
TOTAL operating revenue	**1 238 431**	**56 920**	**-46 787**	**1 248 564**
Depreciation	33 178	5 601	-905	37 874
Operating expenses	759 217	43 595	-39 496	763 316
Operating profit before fair value adjustment of the biomass	**446 036**	**7 724**	**-6 386**	**447 374**
Fair value adjustment of the biomass	87 613	-11 169	-12 768	63 676
Operating profit	**533 649**	**-3 445**	**-19 154**	**511 050**
Share of profit from associated companies	3 475	12 237	76 040	91 752
Net financial items	-22 554	-2 931	0	-25 485
Profit before tax	**514 570**	**5 861**	**56 886**	**577 317**
Tax	139 316	-1 721	-5 363	132 232
Net profit	**375 254**	**7 582**	**62 249**	**445 085**
ASSETS	1 360 058	647 757	261 687	2 269 502
- Investments in associated companies	103	-	261 687	261 790
Liabilities	851 275	533 013	-	1 384 288
INVESTMENTS				
- Tangible operating assets	98 194	12 638	0	110 832
- Intangible operating assets	150 433	389 999	0	540 432
Depreciation	33 178	5 601	-905	37 874

2005 - figures in NOK 1 000	Central Norway	Northern Norway	Other/eliminations	Group
External operating revenue	871 451	0	0	871 451
Internal operating revenue	0	0	0	0
TOTAL operating revenue	871 451	0	0	871 451
Depreciation	27 267	0	0	27 267
Operating expenses	634 497	0	0	634 497
Operating profit before fair value adjustment of the biomass	209 687	0	0	209 687
Fair value adjustment of the biomass	40 785	0	0	40 785
Operating profit	250 472	0	0	250 472
Share of profit from associated companies	-4 309	21 089	56 931	73 711
Net financial items	-4 997	0	0	-4 997
Profit before tax	241 166	21 089	56 931	319 186
Tax	66 966	0	0	66 966
Net profit	174 200	21 089	56 931	252 220
ASSETS	873 872	116 728	213 057	1 203 657
- Investments in associated companies	9 250	116 728	213 057	339 035
Liabilities	720 210	75 862	-	796 072
INVESTMENTS				
- Tangible operating assets	51 125	0	0	51 125
- Intangible operating assets	0	0	0	0
Depreciation	27 267	0	0	27 267

Geographic distribution of sales revenues based on customers' location

The bulk of the Group's sales are made through the wholly owned subsidiary SalMar Processing AS.

By geographic market (Group):	2007	2006	2005
Asia	20 %	5 %	1%
Russia	27 %	4 %	0%
Europe	53 %	91 %	99%
Total	100 %	100 %	100%

Note 3

Salaries and payroll costs, no. of employees, remunerations, loans to employees, etc.

Salaries and payroll costs

NOK 1 000	2007	2006	2005
Salaries, including holiday pay and bonuses	192 737	128 511	104 763
Employers' national insurance contributions	10 502	7 973	6 560
Pension costs (see Note 12)	4 175	-8 307	3 800
Options	6 547	0	0
Other benefits	3 846	3 737	4 642
Total	217 808	131 913	119 766

Total employed (man-years) in the financial year	430	422	280

The SalMar Group's senior management team comprises the CEO, CFO and the heads of the main business areas.

NOK 1 000 - 2007	Salary	Bonus, incl. extraord. bonus	Payments-in-kind	Accrued pension costs	Accrued option costs
SENIOR MANAGEMENT					
Leif Inge Nordhammer, CEO	1 028	0	11	41	0
Roar Husby, CFO *	161	20	1	39	0
Bjørn Erik Nilsen, former CFO	1 073	0	8	0	0
Karl Chr Aag, Manager, Smolt	764	2 600	11	38	1 091
Bjørn Larsen, Manager, Fish Farming	895	2 600	13	40	1 091
Bjørn Hembre, Manager, Senja	933	200	7	15	336
Gustav Witzøe, Plant Manager	1 105	0	205	44	0
Pål Storø, Manager, Processing	846	2 600	8	23	1 091

* With effect from November 2007.

NOK 1 000 - 2006	Salary	Bonus, incl. extraord. bonus	Payments-in-kind	Accrued pension costs	Accrued option costs
SENIOR MANAGEMENT					
Leif Inge Nordhammer, CEO	1 010	400	16	15	0
Karl Chr Aag, Manager, Smolt	699	300	16	12	0
Bjørn Larsen, Manager, Fish Farming	784	300	12	14	0
Gustav Witzøe, Plant Manager	980	0	204	15	0
Pål Storø, Manager, Processing	716	300	8	15	0

THE REMUNERATION PAID TO THE CEO AND OTHER SENIOR EXECUTIVES AT SALMAR IS BASED ON THE FOLLOWING PRINCIPLES.

Basic salary

Basic salary is determined on the basis of the duties and responsibilities required of the position, as well as the expertise and length of service of the individual concerned. Salaries are intended to be competitive.

Annual bonus

The bonus shall be determined and paid on the basis of the level of the position concerned and the added value which the individual or group of individuals has generated.

Payment in kind

The company does not make payments in kind over and above that which is normal for senior executives in comparable companies.

Share-based incentive schemes

The company wishes to utilise forms of remuneration which result in senior executives receiving shares, subscription rights or options in accordance with a specified programme. No other forms of remuneration linked to shares or the development of the share price is utilised by the company. The board may not waive the guidelines relative to this matter.

Pension schemes

Senior executives shall at all times have competitive pension schemes.

Notice of termination and severance pay

Senior executives have a basic period of notice of six months. In certain cases, and depending on the position concerned, salary may be paid for a period of 6-12 months after employment has been terminated.

Other variable elements in the remuneration package

The above notwithstanding, the company shall not offer senior executives variable elements in the remuneration package or specific benefits in addition to their basic salary.

Decleration in relation to the remuneration paid to the CEO and other senior executives at SalMar is approved by the board. Se section on corporate governance earlier in the report for further comments.

THE BOARD OF DIRECTORS	Directors' fee 2007	Directors' fee 2006	Directors' fee 2005
Bjørn Flatgård, Chairman	200	125	250
Gustav Witzøe	150	125	0
Synnøve G Ervik	150	80	0
Anne Strøm Nakstad	150	25	0
Kjell A. Storeide (elected Feb 2008)	0	0	0
Bjørn Ivan Espnes, employee rep.	75	60	50

Directors' fees are not share price related.

Loans and guarantees to senior management NOK 1 000	Amount	Interest rate	Repayment schedule
CEO – Loan	1 058	4,4 %	20 years

Loans and guarantees to:	Loan	Guarantee
Senior management and members of the board	49	0
Persons closely related to members of the board	0	0

OPTIONS

Group management and 10 other employees have received 1.950 000 options to purchase company shares during the year. The CEO and directors do not have options. Group management has the following options:

SENIOR MANAGEMENT	Options granted in 2007	Options exercised	No. of options CB	Average strike price - *	Average term
Leif Inge Nordhammer, CEO	0	0	0	0	0
Roar Husby, CFO	0	0	0	0	0
Bjørn Erik Nilsen, former CFO	0	0	0	0	0
Karl Chr Aag, Manager, Smolt	325 000	0	325 000	39	2 years
Bjørn Larsen, leder matfisk	325 000	0	325 000	39	2 years
Gustav Witzøe, leder fabrikk	0	0	0	0	0
Pål Storø, leder bearbeiding	325 000	0	325 000	39	2 years

* - average strike price for the no. of options held at the end of the financial year

1/3 of the options granted may be exercised from the date of the company's annual general meeting in 2008 until one week after the publication of the company's first quarter report 2009. 1/3 of the options granted may be exercised from the date of the company's AGM in 2009 until one week after the publication of the first quarter report 2010. 1/3 of the options granted may be exercised from the date of the company's AGM in 2010 until one week after the publication of the first quarter report 2011. Options may only be exercised if the holder is an employee of the company at the start of the relevant exercise period.

Fair value per option on the date it was awarded is calculated using the Black & Scholes option pricing model. The most important input data were the share price when the option was granted (NOK 39), the strike price (NOK 39), volatility at 30%, risk-free interest of 5% and the term of the option.

Employers' national insurance contributions are included in the provisions made to cover this liability.

AUDITOR

Fees paid to the auditor (ex. VAT) break down as follows:

NOK 1 000	2007	2006	2005
Statutory auditing	764	729	633
Other certification services	67	38	60
Tax advisory services	22	31	0
Other services	180	636	315
Total	1 033	1 433	1008

Note 4

Operating expenses

SPECIFICATION OF OTHER OPERATING EXPENSES:

NOK 1 000	2007	2006	2005
Maintenance	39 038	24 790	16 312
Operating equipment	15 670	13 655	12 249
Direct input factors	66 764	37 659	27600
Other operating expenses	69 797	34 748	29 060
Total	191 270	110 851	85 220

RESEARCH & DEVELOPMENT COSTS:
R&D costs include expenses relating to research and administrative personnel, technical equipment and facilities, and sums paid for external research services.

Since the criteria for capitalisation are not deemed to have been met, costs are charged to expenses. A total of NOK 17,607,009 in R&D costs was expensed in 2007.

Note 5

Intangible assets

NOK 1 000	Licences	Goodwill	Other intangible assets	TOTAL
Acquisition cost 1 Jan 2006	221 403	24 213	2 000	247 616
Additions from business mergers	490 100	50 332	0	540 432
Acquisition cost 31 Dec 2006	711 503	74 545	2 000	788 048
Additions from business mergers	297 833	14 534	0	312367
Disposals	0	2 582	2 000	4 582
Acquisition cost 31 Dec 2007	1 009 335	86 497	0	1 095 832
Acc.dep. & write-downs as at 1 Jan 2006	0	18 390	1 333	19 723
Year's depreciation	0	0	667	667
Year's write-downs	0	0	0	0
Acc.dep. & write-downs as at 31 Dec 2006	0	18 390	2 000	20 390
Year's depreciation	0	0	0	0
Year's write-downs	0	0	0	0
Reversal of depreciation before 1 Jan 2005	0	1 033	2 000	3 033
Acc.dep. & write-downs as at 31 Dect 2007	0	17 357	0	17 357
of which accumulated write-downs as at 31 Dec 2007	0	0	0	0
Book value as at 31 Dec 2007	**1 009 335**	**69 139**	**0**	**1 078 475**
Book value as at 31 Dec 2006	711 503	56 155	0	767 658
Book value as at 1 Jan 2006	221 403	5 823	667	227 893

SPECIFICATION OF FISH FARMING LICENCES

NOK 1 000	No. of licences	Acquisition cost	Book value 31.12.07
Northern Norway	12 (13)	478 429	478 429
Central Norway	39	530 907	530 907
Total	51 (52)	1 009 335	1 009 335

The group has a leasing agreement with respect to one licence.

SPECIFICATION OF GOODWILL NOK 1 000	Year of acquisition	Acquisition cost	Book value 31.12.07
Northern Norway	2006	32 899	32 899
Central Norway	1999-2007	41 675	36 240
Total		74 574	69 139

Following the implementation of IFRS, goodwill is no longer depreciated, but is tested for impairment annually, or more often if there are indications that a write-down may be necessary. The difference between acquisition cost and the book value of goodwill is due to the depreciation of goodwill prior to the implementation of IFRS.

Other acquired goodwill, which was depreciated to zero prior to 2005, has an acquisition cost of NOK 14,505,420.

IMPAIRMENT TEST

On acquisition goodwill and intangible assets are assigned to the cash-flow generating units within the Group to which they are associated.

The book value of the cash-flow generating units is tested for impairment annually, or more often if there are indications that a write-down may be necessary. The estimated value in use is employed to calculate the recoverable value. A write-down is performed if the book value is lower than the recoverable value.

Future net cash flows are estimated on the basis of the Group's budget and forecasts for the next three years. No real growth is assumed when calculating the terminal value. Value in use is calculated on the basis of a 9.2% return on investment. As with all estimates, cash flow forecasts are sensitive to changes in underlying assumptions.

Estimated value in use will be affected most strongly by the following assumptions:

- Discount rate
- Salmon price
- Production costs
- Future output levels

Discount rate: the discount rate used reflects management's estimate of the risk specified for each cash-flow generating unit. The discount rate is set using the 10-year government bond rate in effect at the time of the assessment. The discount rate is before tax.

Salmon price: the price of salmon is estimated on the basis of the long-term price level that experience would indicate for those markets in which the fish is sold.

Production costs: production costs are estimated on the basis of historical figures, known changes taken into account.

Future output levels: future output levels are estimated on the basis of current production, adjusted for expected increases in future output given current licences.

The assessment is based on a comparison of the present value of estimated future cash flows and book value per cash generating unit. Sensitivity analyses are also carried out to assess estimated present values by looking at the change in salmon prices, production costs and discount rates.

The Group continuously monitors its financial performance with respect to the long-term assumptions used to determine whether the assumptions in the basic model are still valid.

The impairment test resulted in no requirement to write down the book value of fish farming licences and goodwill as at 31 December 2007.

Note 6

Property, plant & equipment

NOK 1 000	Land, buildings & other real estate	Machinery, plant, equipment & fixtures, etc	Boats & other operating assets	TOTAL	Of which leased operating assets
Acquisition cost 1 Jan 2006	58 852	236 454	21 429	316 735	45 814
Additions	20 394	90 145	293	110 832	43 875
Additions subsidiaries	4 502	47 495	23 374	75 371	35 872
Disposals	0	7 701	0	7 701	0
Acquisition cost 31 Dec 2006	83 747	366 392	45 097	495 236	125 561
Additions	9 264	81 608	12 581	103 453	320
Additions subsidiaries	4 115	17 543	582	22 241	689
Disposals	0	10 491	29 885	40 375	1 850
Acquisition cost 31 Dec 2007	97 127	455 053	28 375	580 555	124 720

Acc.dep & write-downs 1 Jan 2006	28 624	114 311	11 679	154 614	7 403
Year's depreciation 2006	4 832	24 477	1 570	30 879	6 074
Year's depreciation acquired subsidiaries	240	5 494	594	6 329	1 144
Year's write-downs	0	0	0	0	0
Reversed depreciation	623	2 571	0	3 194	0
Acc.dep. & write-downs 31 Dec 2006	33 073	141 711	13 843	188 627	14 621
Year's depreciation 2007	5 521	41 727	1 574	48 821	13 027
Year's depreciation acquired subsidiaries	191	1 634	25	1 850	0
Year's write-downs	0	0	0	0	0
Reversed depreciation	0	3 587	3 378	6 965	1 480
Acc.dep & write-downs 31 Dec 2007	38 785	181 485	12 063	232 333	26 168
of which accumulated write-downs at 31 Dec 2007	0	0	0	0	0

Book value at 31 Dec 2007	58 342	273 569	16 311	348 222	98 552
Book value at 31 Dec 2006	50 674	224 681	31 254	306 609	110 940
Book value at 1 Jan 2006	35 038	119 600	7 483	162 121	38 411

Gain/loss on sale of fixed assets	0	2 467	2 986	5 453
Annual rental of non-capitalised operating assets	4 780	1 296	0	6 077

Economic lifespan	0-20 years	3-10 years	5-15 years
Depreciation plan	straight-line	straight-line	straight-line

Capitalised leasing liabilities as at 31 December 2007 totalled NOK 75,880,794.

Note 7

Subsidiaries, associated companies, etc

NOK 1 000	Consolidated (yes/no)	Registered office	Voting share	Book value in SalMar ASA
Follasmolt AS	JA	Kverva	100 %	20 100
Langsteinfisk AS	JA	Kverva	60 %	0
Straumsnes Settefisk AS	JA	Kverva	100 %	0
SalMar Farming AS	JA	Kverva	100 %	81 402
Halsa Fiskeoppdrett AS	JA	Kverva	100 %	0
Henden Fiskeoppdrett AS	JA	Kverva	100 %	0
Einar Rangøy AS	JA	Kverva	100 %	0
Senja Sjøfarm AS	JA	Senja	100 %	314 153
Troms Stamfiskstasjon AS	JA	Senja	100 %	0
Arctic Salmon AS	JA	Senja	100 %	0
SalMar Processing AS	JA	Kverva	100 %	1 309
Astamarin AS	JA	Kverva	100 %	5 015
SalMar Japan KK	JA	Japan	100 %	0
TOTAL subsidiaries				**421 980**
Norskott Havbruk AS	NEI	Bergen	50 %	162 787
Trøndersk Kystkompetanse AS	NEI	Dyrvik	20 %	103
TOTAL associated companies				**162 890**

ACQUISITION OF SUBSIDIARIES IN 2007

During 2007 the SalMar Group purchased shares in individual companies and consolidated them with effect from the month in which they were taken over. The figures used in the analysis of excess value are partly based on best estimates and experience, and the underlying assumptions are verified through operations in the subsequent period. Thus, the analyses of excess value must be seen as provisional under IFRS 3.

The following material business acquisitions were carried out during the year.

All company acquisitions are recognised in accordance with the acquisition method:

NOK 1 000	Acquisition date	Acquisition cost	of which acquisition expenses
Halsa Fiskeoppdrett AS (100%)	23.01.2007	112 060	60
Henden Fiskeoppdrett AS og Einar Rangøy AS (100%)	05.10.2007	84 500	-
Arctic Salmon AS (100%)	14.12.2007	89 207	-

Acquisition cost comprises cash consideration and acquisition expenses.

THE ACQUSITIONS HAD THE FOLLOWING EFFECT ON THE BALANCE SHEET:

NOK 1 000	Halsa Fiskeoppdrett Fair value	Henden Fiskeoppdrett Fair value	Arctic Salmon Fair value
Intangible assets	94 935	86 904	118 838
Property, plant & equipment	9 374	3 269	9 532
Financial assets	249	1 446	-
Current assets	34 264	37 893	57 432
Liabilities	-26 802	-21 700	-27 705
Interest-bearing debt	-1 819	-13 956	-49 426
Other current liabilities	-7 339	-9 356	-19 464
Net identifiable assets and liabilities	**102 861**	**84 500**	**89 207**
Goodwill from acquisition	**9 199**	**0**	**0**

Since its acquisition Halsa Fiskeoppdrett has had an effect on operating profit before revaluation of the biomass of NOK 5,773,000 net, generating sales revenues of NOK 46,285,000. Henden Fiskeoppdrett AS / Einar Rangøy AS have reduced profit before revaluation of the biomass by NOK 209,000 net, generating sales revenues of NOK 8,270,000. Arctic Salmon AS has been consolidated with effect from 31 December 2007.

ADJUSTMENT OF INITIAL RECOGNITION:

The assignment of acquisition cost in connection with business acquisitions is, as mentioned above, provisional. In 2007 a final review of the fair value of assets and liabilities on the date Senja Sjøfarm AS was acquired in 2006 was carried out. This resulted in the reclassification of NOK 5 million from property, plant & equipment to licences. The re-allocation has not led to any changes in the profit and loss acoount.

ACQUISITION OF SUBSIDIARIES IN 2006
The following material company acquisitions were carried out during 2006.
All company acquisitions are recognised in accordance with the acquisition method from the date of acquisition:

NOK 1 000	Acquisition date	Aquisition cost	of which acquisition expenses
AS Sjøfôr (100%)	27.06.2006	150 856	96
Senja Sjøfarm AS (51%)	23.10.2006	197 603	103

Acqisition cost comprises cash consideration and acqusition expenses.

The acqusitions had the following effect on the balance sheet:

NOK 1 000	AS Sjøfór - Fair value	Senja Sjøfarm - Fair value
Intangible assets	133 000	357 100
Property, plant & equipment	4 000	45 865
Financial assets	5	272
Inventory	40 350	145 927
Accounts receivable	-	38 845
Other short-term receivables	2 639	14 301
Liquid assets	1 154	1 774
Liabilities	-35 511	-107 924
Interest-bearing debt	-	-128 421
Other current liabilities	-12 309	-44 764
Net identifiable assets and liabilities	**133 328**	**322 975**
Goodwill from acquisition	**17 432**	**32 899**

Following acquisition, AS Sjøfôr affected operating profit before revaluation of the biomass by NOK 2,355,000. Senja Sjøfarm AS affected operating profit before revaluation of the biomass by NOK 337,000.

If the acquisitions had taken place at the start of 2006 the Group would have had sales revenues of NOK 1,330,367,000 and an operating profit before revaluation of the biomass of NOK 487,956,000.

NOK 1 000 Companies recognised using the equity method	Norskott Havbruk AS	Trøndersk Kystkompetanse	SalMar Japan KK	TOTAL
Original acquisition cost	162 826	103	776	163 704
Capitalised equity at time of acquisition	162 826	100	914	163 840
Attributable excess value	0	0	0	0
Goodwill	0	0	0	0
Opening balance 1 Jan 2007	261 587	103	99	261 790
- of which undepreciated excess value	0	0	0	0
- of which undepreciated goodwill	0	0	0	0
Purchase of shares/investment	0	0	500	500
Share of net profit	31 162	0	439	31 600
Depreciation of excess value	0	0	0	0
Depreciation of goodwill	0	0	0	0
Translation differences	-34 482	0	0	-34 482
Direct equity items	-168	0	0	-168
Sale of assets	0	0	0	0
Transition to subsidiary	0	0	-1 038	-1 038
Closing balance 31 Dec 2007	258 100	103	0	258 203

None of the associated companies has shares listed on the stock exchange. Revenues from associated companies are presented on a separate line in the profit and loss account as the Group's share of net profit.

The key figures for significant investments still owned by the Group at year end are presented below.

	Operating revenue 2007	Total assets 31.12.2007	Total liabilities 31.12.07	Profit 2007
Norskott Havbruk	841 400	1 153 100	636 900	62 300

Note 8

Other financial assets

FIXED ASSETS – SHARES IN OTHER COMPANIES NOK 1 000	Shareholding		Book value 2007	Book value 2006
Havbrukstjenesten AS	0,00 %		0	10
I.B.F AS	30,30 %	*	30	30
Akva Kompetanse AS	33,40 %	*	175	175
Wibstad Transport AS	16,55 %		67	67
Senja Fiskehelsetjeneste AS	40,90 %	*	95	95
Aquagen AS	0,66 %		281	281
Nordmøre Oppdrettsservice AS	25,00 %	*	203	0
Other shares			152	106
Total			1 001	762

Shares in other companies are classified as available for sale. Investments in other shares are valued at cost, since fair value cannot be reliably quantified.

* Not treated as an associated company due to considerations of materiality.

Note 9

Inventory and biological assets

	2007	2006
Raw materials	19 718	19 829
Goods in progress (entirely biological assets)	905 675	701 017
Finished goods	44 261	33 569
Total	969 654	754 416

Raw materials consist largely of feed for smolt and farmed fish. In addition, it includes raw materials used in processing as well as packaging. Stocks of biological assets are associated with SalMar's fish farming activities on land and in the sea. Finished goods comprise fresh and frozen whole salmon, as well as processed salmon products.

BIOLOGICAL ASSETS IN MORE DETAIL
The way live fish are accounted for is governed by IAS 41 Agriculture. IAS 41 contains a method hierarchy for the valuation of biological assets for accounting purposes. The prime rule is that such assets shall be reported at fair value. Fish in the sea (the biomass) with a live weight exceeding 4 kg on the balance sheet date are valued in the same way as fish that could be ready for harvesting. For fish weighing more than 4 kg live weight there is an active market for harvested salmon. This portion of the biomass is considered to be an asset of the same type as harvestable fish. Fair value of the biomass is calculated using the market price on the balance sheet date for the weight category concerned, adjusted for sales costs including harvesting costs and wastage. Adjustments are made in the market price for quality differences. SalMar is of the opinion that an active market for fish which are not harvestable, ie fish in the sea with a live weight of less than 4 kg, does not exist. This fish is not ready for commercial harvesting. For this reason the fair value of unharvestable fish is calculated using the fair value of harvestable fish on the balance sheet date, adjusted for sales costs. Further adjustments are made to reflect the fact that the fish in their current state are not harvestable. This adjustment is made on the basis of the fish's relative size compared with harvestable fish. If fair value adjustments bring the value of the fish below self-cost, the biomass is valued at self-cost, unless a write-down is needed. Write-downs are performed if the actual net sales price is lower than accumulated cost price.

Smolt are valued at cost.

NOK 1 000	2007	2006
Biological assets 1 Jan	701 017	344 319
Increase due to production/purchase	1 080 618	727 140
Increase due to acquisitions	94 384	168 927
Reduction due to sale/harvesting	-1 064 578	-620 044
Fair value adjustment 1 Jan (reversed)	-156 216	-75 541
Fair value adjustment 31 Dec (new)	250 450	156 216
Biological assets 31 Dec	**905 675**	**701 017**

	2007	2006
Biomass fish < 4 kg live weight (tonnes)	19 124	20 128
Biomass fisk > 4 kg live weight (tonnes)	19 110	14 421
Change in fair value fish < 4 kg live weight (NOK 1 000)	68 839	65 948
Change in fair value fish > 4 kg live weight (NOK 1 000)	181 611	90 268
TOTAL change in fair value of biological assets (NOK 1 000)	**250 450**	**156 216**
Cost price biological assets (NOK 1 000)	655 225	544 801
Book value of biological assets (NOK1 000)	**905 675**	**701 017**

Note 10

Receivables, provisions for bad debts

The Group's receivables are recognised at amortised cost. Receivables in foreign currencies are recognised at the day rate.

NOK 1 000	2007	2006
Accounts receivable	124 885	110 456
Provisions for bad debts	-560	-300
Other receivables	57 321	51 249
Receivables from parent company	165	295
Other long-term receivables	7 530	9 317
Total	**189 341**	**171 017**
Included under "Other receivables" above are the following items which fall due after more than one year	3 014	2 637

Bad debts are classified as other operating expenses in the profit and loss account.
Provisions for bad debts have been changed as follows:

NOK 1 000	2007	2006
OB	300	0
Year's provisions for bad debts	388	300
Year's actual bad debts	-7	0
Reversal of previous provisions	-131	0
Change in provisions for bad debts due to acquisition and sale of businesses	10	0
CB	**560**	**300**

Credit risk and foreign exchange risk relating to accounts receivable is discussed in more detail in Note 19.

As at 31 December the company had the following due, but unpaid accounts receivable:

	Total	Not yet due	<30 d	30-60d	60-90d	>90d
2007	124 885	89 483	33 202	471	377	1 352
2006	110 456	86 681	18 308	2 715	590	2 163

Note 11

Share capital and shareholders

As at 31 Dec 2007 the parent company's share capital comprised:

NOK 1 000	No.	Face value	Book value
Ordinary shares	103 000 000	0,25	25 750

SHAREHOLDERS

The 20 largest shareholders in the company as at 31 Dec 2007 were:

	No.	Shareholding	Voting rights
Kverva AS	55 000 000	53,40 %	53,40 %
JP Morgan Chase Bank	6 500 000	6,31 %	6,31 %
Verdipapirfond Odin Norge	5 275 950	5,12 %	5,12 %
Pareto Aksje Norge	4 298 600	4,17 %	4,17 %
Verdipapirfond Odin Norden	3 123 550	3,03 %	3,03 %
Bank of New York	2 669 400	2,59 %	2,59 %
LIN AS	2 500 000	2,43 %	2,43 %
Folketrygdfondet	2 270 700	2,20 %	2,20 %
Pareto Aktiv	1 863 500	1,81 %	1,81 %
Fortis Bank Luxembourg	1 564 429	1,52 %	1,52 %
Sparebanken Midt-Norge Invest	865 200	0,84 %	0,84 %
Centra Capital AS	845 000	0,82 %	0,82 %
Storebrand Livsforsikring	677 100	0,66 %	0,66 %
Odin Global Fond	500 000	0,49 %	0,49 %
Aksjefondet Odin Norge II	480 500	0,47 %	0,47%
Holberg Norge	460 000	0,45 %	0,45 %
Holberg Norden	444 300	0,43 %	0,43 %
DnB NOR SMB Verdipapirfond	420 000	0,41 %	0,41 %
Goldman Sachs International	405 760	0,39 %	0,39 %
Odin Global SMB Fond	375 000	0,36 %	0,36 %
Total 20 largest shareholders	**90 538 989**	**87,90 %**	**87,90 %**
Total other shareholders	12 461 011	12,10 %	12,10 %
Total no. of shares	**103 000 000**	**100,00 %**	**100,00 %**

SHARES OWNED BY MEMBERS OF THE BOARD AND THE CEO:

Name	Position	No. of shares	Shareholding
Bjørn Flatgård *	Chairman	1 958 000	1,90 %
Gustav Witzøe **	Director	50 512 000	49,04 %
Anne Strøm Nakstad ***	Director	12 000	0,01 %
Synnøve G. Ervik	Director	1 000	0,00 %
Bjørn Ivan Espnes	Employee rep.	1 200	0,00 %
Leif Inge Nordhammer ****	CEO	2 500 000	2,43 %

* indirect ownership through GloMar AS, which owns shares in the Kverva Group.
** indirect ownership through the parent company in the Kverva Group and includes shares owned by companies controlled by closely related parties
*** Indirect ownership through Foki AS
**** indirect ownership through LIN AS.

The board is authorised to increase the share capital by up to NOK 12,500,000 through the issue of up to 50,000,000 shares. The board's authorisation is valid until the AGM in 2008 or 30 June 2008 at the latest. The board used the authorisation in connection with the stock exchange listing in may (3 mill shares) The board is further authorised to acquire own shares to a face value of NOK 2,500,000. The board's authorisation is valid until the AGM in 2008 or 30 June 2008 at the latest.

DIVIDEND

The board has proposed a dividend of NOK 1,10 per share. If the AGM approves the proposed dividend, this will result in a total payout of NOK 113.3 million. The proposed dividend has not been recognised as a liability as at 31 December 2007.

Note 12

Pension costs, assets and liabilities

The company is obliged to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act, and has a pension scheme that fulfils the requirements of this legislation.

The Group switched from a defined-benefits pension scheme to a defined-contribution pension scheme in 2006. However, funds and liabilities relating to sick or disabled employees were retained. The defined-benefits scheme has 6 (7) remaining members. In addition, there are 10 (10) remaining pensioners in the defined-benefits scheme. The effect of the switch was posted to profit and loss in 2006. Certain companies within the Group also operate an early retirement scheme (AFP) for their employees. 416 (250) employees are covered by the AFP scheme. Liabilities with respect to this scheme are included in the Group's overall pension calculations.

Premiums paid in connection with the defined-contribution scheme are charged to expenses as they occur.

NOK 1 000	2007	2006
Present value of the year's pensions accrual	635	3 660
Interest expense on pension liabilities	493	1 456
Return on pension assets	457	1 240
Expenses	144	237
Accrued employers' national insurance contributions	92	-307
Recognised losses/(gains) on estimates	311	-28
Termination of defined-benefits scheme	0	-14 007
Net pension cost after employers' national insurance contributions	**1 218**	**-10 230**

	2007	2006
Accrued pension liabilities	11 265	9 894
Pension fund assets (fair value)	8 238	7 440
Liabilities assumed in connection with acquisitions	0	644
Accrued employers' national insurance contributions	257	183
Unrecognised effect of differences in estimates	-544	83
Net pension liabilities	**2 741**	**3 364**

2007	Secured (coll.)	Unsecured (AFP)	TOTAL
Accrued pension liabilities	6 894	4 371	11 265
Pension fund assets (fair value)	8 238	0	8 238
Accrued employers' national insurance contributions	0	257	257
Unrecognised effect of differences in estimates	-423	-121	-544
Net pension liabilities	**-1 766**	**4 507**	**2 741**

2006			
Accrued pension liabilities	6 857	3 559	10 417
Pension fund assets (fair value)	7 440	0	7 440
Accrued employers' national insurance contributions	0	210	210
Unrecognised effect of differences in estimates	99	78	177
Net pension liabilities	**-483**	**3 847**	**3 364**

Pensions paid are already taken into account in the liability above.	492	325
Investments in pension fund assets are already taken into account in the liability above.	1 597	397

Financial assumptions:	2007	2006
Discount rate	4,75 %	4,75 %
Expected salary adjustment	3,75-4,0%	3,75-4,0%
Expected pension adjustment	1,6-4,25%	1,6-4,25%
Expected adjustment of National Insurance Scheme's basic unit (G)	4,25 %	4,25 %
Expected return on pension fund assets	5,75 %	5,75 %
Expected take-up rate AFP	50-70%	50-70%
Voluntary exit (all ages)	5-10%	5-10%

Note 13

Interest-bearing debt

NOK 1 000

Long-term interest-bearing debt	2007	2006
Debt to credit institutions	721 636	559 537
Next year's instalments on long-term debt	-34 300	-34 039
Leasing liabilities	75 881	93 512
Other long-term debt	1 438	3 325
Total long-term interest-bearing debt at 31 Dec	**764 655**	**622 335**

Short-term interest-bearing debt		
Debt to credit institutions	54 094	115 435
Debt to parent company (Kverva AS)		
Next year's instalments on long-term debt	34 300	34 039
Total short-term interest-bearing debt at 31 Dec	**88 394**	**149 474**

Total interest-bearing debt	**853 049**	**771 810**
Cash & cash equivalents	47 809	6 950
Net interest-bearing debt	**805 240**	**764 860**

The following table presents an overview of the maturity structure of the Group's financial obligations, based on undiscounted contractual payments:

		Remaining term			
31.12.2007	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Interest-bearing bank loans	8 275	24 825	132 400	556 136	721 636
Other liabilities	4 054	12 161	59 278	389	75 881
Accounts payable	98 713				98 713
31.12.2006					
Interest-bearing bank loans	8 426	25 278	134 815	396 187	564 706
Other liabilities	4 149	15 772	66 385	10 530	96 837
Accounts payable	148 380				148 380

INTEREST-BEARING DEBT IN MORE DETAIL

SalMar ASA's main source of financing is a framework loan agreement of up to NOK 930 million, which was established in 2006. As at 31 December 2007, NOK 642 million had been drawn on this facility. The loan agreement is divided into four tranches. Tranche A, with a balance of NOK 170 million, is interest-only and matures in six years. Tranche B, a NOK 200 million revolving drawing facility, had not been used as at 31 December 2007. Tranche C, with a balance of NOK 142.5 million, is repayable over seven years. Tranche D, with a balance of NOK 296.4 million, has a 20-year instalment profile with final maturity in six years. Interest and instalments are paid quarterly. Interest terms are set quarterly and are based on so-called "current terms" relating to NIBOR and a margin depending on the ratio between the Group's EBITDA and NIBD. This financing covers all companies within the Group, with the exception of companies in the Senja Sjøfarm Group.

The Senja Sjøfarm Group has its own financing scheme. During 2007 a new main source of financing for Senja Sjøfarm was established, with a total borrowing framework of NOK 200 million. In 2008 this scheme was altered after the acquisition of Arctic Salmon, and currently stands at NOK 300 million. The financing scheme is divided into two tranches, of which NOK 200 million (NOK 119 million drawn) is a group credit agreement and NOK 100 million (89.2 million drawn) is a revolving drawing facility. In addition, Arctic Salmon AS has long-term debt totalling NOK 24 million. Interest terms are set quarterly and are based on so-called "current terms" relating to NIBOR and a margin.

Estimated annual instalments on leasing liabilities amount to NOK 21.6 million. Leasing agreements have an original term of 60-84 months.

FINANCIAL COVENANTS

The most important financial covenants for the long-term financing of SalMar ASA are, respectively, a solvency requirement, which stipulates that the book value of the Group's equity ratio shall exceed 30% (down to 25% for a 12-month period), and a profitability requirement, which stipulates that the Group's interest-bearing debt to EBITDA ratio shall, on average, not exceed 4.5.

The most important financial covenants for the long-term financing of Senja Sjøfarm AS are, respectively, a solvency requirement, which stipulates that the book value of the Group's equity ratio shall exceed 25%, and a borrowing base equalling the sum of 80% of accounts receivable and 60% of inventory.

Note 14

Tax

NOK 1 000

The tax expense for the year breaks down as follows:	2007	2006	2005
Tax payable	79 777	67 488	43 966
Change in deferred tax	49 654	64 743	19 917
Shortfall/excess tax provisions	0	0	0
Tax effect of debt remission	0	0	3 591
Reimbursement tax	0	0	-508
Tax expense on ordinary profit	129 431	132 231	66 966

Tax payable in the balance sheet	2007	2006	2005
Tax payable for the year	79 777	67 488	43 966
Tax on equity transactions	-1 154	0	0
Reimbursement tax	0	0	1 414
Prepaid disputed tax	0	0	-1 261
Change in tax payable previous years	11 244	11 519	11 231
Tax payable in the balance sheet	89 867	79 007	55 350

Specification of temporary differences	2007	2006	2005
Intangible assets	709 919	476 144	118 644
Property, plant & equipment	17 411	28 382	5 685
Long-term financial assets	2 322	19 546	900
Inventory	901 418	675 237	329 642
Receivables	-551	2 817	0
Current liabilities	-416	0	0
Long-term liabilities	-4 115	-227	0
Gains/losses account	17 909	-579	207
Losses carried forward	-801	-861	-1 238
Unused share dividend payments		0	-950
TOTAL temporary differences	1 643 096	1 200 363	453 840
Defferred tax liabilities (+) / assets (-)	460 067	336 102	127 075

Reconciliation from nominal to actual tax rate	2007	2006	2005
Profit before tax	481 260	577 316	319 185
Expected tax at nominal tax rate	134 753	161 648	89 372
Permanent differences (28%)	-5 322	-29 417	-25 489
Shortfall/excess tax provisions	0	0	0
Tax effect of debt remission	0	0	3 591
Reimbursement tax	0	0	-508
Calculated tax expense	129 431	132 231	66 966
Effective tax rate	26,9 %	22,9 %	21,0 %

Note 15

Mortgages and guarantees, etc

NOK 1 000

Recognised debt secured through mortgages etc:	2007	2006
Short-term debt to credit institutions	54 094	115 435
Long-term debt to credit institutions	721 636	559 537
Other long-term debt	77 319	96 837
Total	853 049	771 810

Book value of assets pledged as security for recognised debt	2007	2006
Property, plant & equipment	1 357 557	1 018 112
Shares	0	0
Inventory	969 654	754 416
Receivables	124 325	110 156
Total	2 451 536	1 882 684

Leasing liabilities account for NOK 75,880,794 of capitalised long-term liabilities.

SalMar ASA has issued a guarantee to lenders in connection with the financing of the associated company Norskott Havbruk AS's subsidiary Scottish Seafarms Ltd. As at 31 December 2007 the sum guaranteed had been adjusted down to GBP 0.5 million.

SalMar ASA stands surety for a total of NOK 17,000,000 with respect to a credit facility granted by Elcon Finans AS to SalMar Processing AS.

SalMar ASA has issued a guarantee for NOK 5,000,000 to Nord-Trøndelag E-verk on behalf of Follasmolt AS. The guarantee agreement was entered into 1 January 2004 and is reduced by NOK 250,000 per year. As at 31 December 2007 the remaining amount guaranteed totalled NOK 4,000,000.

SalMar ASA has issued guarantees to Senja Sjøfarm AS's lenders that SalMar ASA will inject whatever equity may be necessary to ensure that Senja Sjøfarm AS is at all times able to maintain an equity ratio of at least 25%.

Note 16

Closely related paraties/individual transactions

The Group's parent company is SalMar ASA. The overall parent company is Kverva AS, which owns 53.4% of the shares in SalMar ASA. Kverva AS prepares its own consolidated accounts in accordance with NGAAP.

TRANSACTIONS INVOLVING CLOSELY RELATED PARTIES:

Closely related party	Type of transaction	Amount of transaction	Outstanding balance
Overall parent company	(1) Size of outstanding balance		88
Companies under same control	Size of outstanding balance		0
Group subsidiaries	(2) Internal reinvoicing by SalMar ASA	29 427	
	(3) Intra-group interest charges	23 652	
	(4) Size of internal outstanding balance		576 735

(1) Receivables from parent company on the balance sheet date.

(2) Internal reinvoicing by SalMar ASA of costs relating to services provided to subsidiaries. The amount is eliminated for consolidation.

(3) Interest charges incurred by group companies for use of group credit facilities. The amount is eliminated for consolidation.

(4) Sum of eliminated intra-group receivables and liabilities on the balance sheet date.

Note 17

Other off-balance sheet liabilities

OPERATIONAL LEASING AGREEMENTS
The Group has entered into agreements for the lease of premises. These agreements are based primarily on investment cost, square metreage and interest rates. Under its contract with the Industrial Development Corporation of Norway (SIVA), the Group has a preferential right to sign a new contract for two further five-year leasing periods at market rates. The contract expires 1 July 2012. An option to purchase is associated with this agreement. A leasing contract has also been entered into with Wessel Invest AS, with the right to a 10-year extension at the same terms. The contract relates to the lease of the Kjørsvik Settefisk facility, and includes the lease of water rights. This contract expires 1 January 2014. In the event of a sale, the Group has the right of first refusal.

	Less than 1 year	2-5 years	More than 5 years	Total
Total future leasing payments	5 444	19 496	885	25 824

Note 18

Government grants

In 2007 group companies undertook R&D projects which qualified for assistance under the SkatteFUNN scheme. Accrued SkatteFUNN contributions are netted against the costs to which they relate. In 2007 the Group recognised a total of NOK 2,270,000 in SkatteFUNN contributions. An additional NOK 442,000 in SkatteFUNN contributions relating to the 2006 financial year was also recognised.

Note 19

Financial instruments

FINANCIAL RISK
The Group has bank loans raised for the purpose of providing capital for investment in the company's business. In addition, the company has financial instruments such as accounts receivable, accounts payable, etc, which are ascribable directly to day-to-day business operations. For hedging purposes the company has certain forward foreign exchange contracts.

The company does not make use of financial instruments, including financial derivatives, for the purpose of speculation.

The most important financial risks to which the company is exposed are interest rate risk, foreign exchange risk, liquidity risk and credit risk. Company management monitors these risks on an ongoing basis, and draws up guidelines for how they are to be dealt with.

MARKET RISK
Interest rate risk
The borrowing portfolio is currently at floating interest rates, which means that the Group is affected by changes in interest rates. The loans are booked at amortised costs as the differance between amortised costs and fair value is immaterial.

Given the financial instruments in effect on 31 December 2007, a 0.5% rise in the rate of interest would reduce the Group's profit by NOK 4,027,000 (NOK 3,824,000 in 2006), assuming all other variables are constant.

Foreign exchange risk
Fluctuations in foreign exchange rates represent both a direct and indirect financial risk for the company.

Foreign currency revenues and assets denominated in foreign currencies are partly hedged through the use of forward contracts. Currency exposure relating to operations is, however, limited by the fact that the purchase of input factors and the sale of products takes place largely in NOK. The use of forward currency contracts is described in Note 20.

Given the financial instruments in effect on 31 December 2007, a 5% fall in the value of NOK would reduce the Group's profit by NOK 4,419,000 (NOK 2,190,000 in 2006).

CREDIT RISK

The risk that counterparties do not have the financial strength to meet their obligations is considered low, since, historically, losses due to bad debts have been small. The Group has no material credit risk relating to individual counterparties or counterparties which may be considered a group due to similarities in the credit risk. The Group has guidelines to ensure that sales are made only to customers that have not previously had payment problems, and that outstanding balances do not exceed fixed credit limits. Part of the total accounts receivable is insured. The gross credit risk on the balance sheet date corresponds to the Group's receivables portfolio on the balance sheet date. See note 10.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by maintaining a flexible financial structure which is secured by means of established borrowing facilities. The Group's objective is to have sufficient cash, cash equivalents or medium-term credit facilities to meet its borrowing requirement in the short term. Unused credit facilities are described in the statement of cash flow. Information on available lines of credit are commented upon in note 13.

CAPITAL STRUCTURE AND EQUITY

The prime objective of the Group's capital management is to ensure that it maintains a good credit rating, and thereby achieve borrowing terms which are reasonable with respect to its business operations.

By ensuring a good debt-to-equity ratio the Group will support its business operations, and thereby maximise the value of the Group's shares.

The Group manages and makes changes to its capital structure in response to an ongoing assessment of the financial conditions under which the business operates, and its short and medium-term outlook, including any adjustment in dividend payouts, buyback of own shares, capital reduction or issue of new shares. No changes were made in the guidelines covering this area in 2007.

The Group had an equity ratio of 45.7% as at 31 December 2007 (39.0% at 31 Dec 2006).

Note 20

Foreign exchange

The table below shows the company's forward currency contracts as at 31 December 2007. All contracts are for the sale of currency against NOK. Forward contracts are entered into to cover as much as possible of the foreign exchange risk associated with accounts receivable and sales contracts. Forward currency contracts are recognised at fair value in the balance sheet.

The rules governing hedging accounting have not been used.

NOK 1 000 Product	Type	Currency	Currency amount	Currency period	Rate range	Book value/ Fair value NOK
Forward	Sale	USD	1 800	1. kvartal-08	5,53-5,59	268
Total			1 800			268

Note 21

Bank deposits

The table below shows the company's forward currency contracts as at 31 December 2007. All contracts are for the sale of currency against NOK. Forward contracts are entered into to cover as much as possible of the foreign exchange risk associated with accounts receivable and sales contracts. Forward currency contracts are recognised at fair value in the balance sheet. The rules governing hedging accounting have not been used.

Note 22

Earnings per share

NOK 1000	2007	2006	2005
Profit for the year (majority share)	351 878	445 019	252 219
IAS 41 fair value adjustment of biomasse	-94 234	63 676	-40 785
Tax on difference in valuation	26 386	17 829	11 420
Adjusted profit (majoriy share)	284 030	399 173	222 854
Shares per 1. January	100 000 000	100 000 000	100 000 000
Effect of share issue	1 956 164	-	-
Average number of shares in the year	101 956 164	100 000 000	100 000 000
Effect of options granted	72 222	-	-
Average number of shares in the year, diluted	102 028 386	100 000 000	100 000 000
Earnings per share			
Ordinary	3,45	4,45	2,52
Diluted	3,45	4,45	2,52
Earnings per share adj. for fair value of biomasse			
Ordinary	2,79	3,99	2,23
Diluted	2,78	3,99	2,23

SalMar ASA conducted a share issue in May 2007. The company now has 103 000 000 shares outstanding. The share issue raised NOK 116 598 600 gross in new equity.

A bonus issue was conducted in 2006 with a subsequent splitt in the number shares, resulting in a total of 100 000 000 shares in the company. No new equity was raised in the period. To achieve comparable numbers the number of shares after the splitt was used in the calculation of earnings per share for 2005.

SalMar ASA FINANCIAL STATEMENTS

SalMar ASA Profit and Loss Statement

		NOK 1000	NOK 1000
OPERATING REVENUES AND OPERATING EXPENSES	NOTE	2007	2 006
Sales revenues	2	32 234	23 397
Other operating revenues		338	194
Total operating revenues		**32 572**	**23 591**
Cost of goods sold		0	0
Salaries and payroll costs	3, 10, 15	28 559	10 609
Depreciation of PP&E and intangible assets	4	224	289
Other operating costs	3	8 214	6 836
Total operating expenses		**36 997**	**17 735**
Operating profit/loss		**-4 425**	**5 857**
FINANCIAL INCOME AND EXPENSES			
Income from investment in subsidiaries	5	100 000	31 517
Interest received from group companies		23 652	5 467
Other interest income		3 421	99
Other financial income		27	30 586
Write-down of financial assets		0	-25 852
Interest paid to group companies		0	7 226
Other interest expenses		34 863	14 717
Other financial expenses		5 315	8 413
Net financial items		**86 922**	**63 164**
Profit before tax		**82 497**	**69 021**
Tax	12	24 885	675
Net profit		**57 613**	**68 345**
NET PROFIT FOR THE YEAR		**57 613**	**68 345**
TRANSFERS			
To dividend		113 300	0
To/from other equity		-55 687	68 345
TOTAL transferred	9	**57 613**	**68 345**
Group contributions received before tax		100 000	21 517

BALANCE Sheet as at 31 December

ASSETS	NOTE	NOK 1000 2007	NOK 1000 2 006
Fixed assets			
Intangible assets			
Licences, patents, etc		0	0
Deferred tax assets		0	0
Total intangible assets		0	0
PROPERTY, PLANT & EQUIPMENT			
Land, buildings and other real estate	4	541	541
Machinery, plant & operating consumables	4	453	118
Vehicles, etc	4	928	1 086
Total property, plant & equipment	4, 14	1 922	1 745
LONG-TERM FINANCIAL ASSETS			
Investments in subsidiaries	5	421 980	421 980
Loans to group companies	7, 11, 14	270 930	8 417
Investments in associated companies		162 890	162 890
Loans to associated companies and joint ventures		0	0
Investments in shares	6	193	203
Pension fund assets	10	0	0
Other receivables	7	1 742	1 793
Total long-term financial assets		857 735	595 283
Total fixed assets		859 658	597 028
CURRENT ASSETS			
Inventory		0	0
Total inventory		0	0
RECEIVABLES			
Accounts receivable	14	48	84
Receivable from parent company		88	295
Other receivables	11, 14	121 587	134 242
Total receivables		121 722	134 621
Bank deposts, cash & cash equivalents	17	175 157	360
Total current assets		296 880	134 981
TOTAL ASSETS		1 156 537	732 009

BALANCE Sheet as at 31 December

EQUITY AND LIABILITIES	NOTE	NOK 1000 2007	NOK 1000 2 006
Equity			
Paid-in equity			
Share capital	8, 9	25 750	25 000
Share premium fund	9	112 880	0
Other paid-in equity	9	8 613	2 066
Total paid-in equity		**147 243**	**27 066**
Retained earnings			
Other equity	9	20 352	76 039
Total retained earnings		**20 352**	**76 039**
Total equity	9	**167 595**	**103 105**
Liabilities			
Provisions			
Pension liabilities	10	0	0
Deferred tax	12	378	1 369
Total provisions		**378**	**1 369**
Other long-term liabilities			
Debt to credit institutions	13, 14	608 900	530 000
Other long-term liabilities	13, 14	0	0
Total other long-term liabilities		**608 900**	**530 000**
Current liabilities			
Debt to credit institutions	13, 14	0	15 350
Accounts payable		639	1 725
Tax payable	12	24 703	0
Dividend	8, 9	113 300	0
Public charges payable		4 578	620
Other current liabilities	11	236 445	79 839
Total current liabilities		**379 665**	**97 535**
Total liabilities		**988 942**	**628 903**
TOTAL EQUITY AND LIABILITIES		**1 156 537**	**732 009**

Trondheim 28. April 2008

Bjørn Flatgård
Chairman

Gustav Witzøe
Director

Synnøve G. Ervik
Director

Kjell A. Storeide
Director

Anne Strøm Nakstad
Director

Leif Inge Nordhammer
President & CEO

Bjørn Ivan Espnes
Director/ Employee representative

STATEMENT of Cash Flow

	NOK 1000	NOK 1000
CASH FLOW FROM OPERATING ACTIVITIES	2007	2 006
Profit before tax	82 497	69 021
Tax paid during the period	0	-1 418
Ordinary depreciation	224	289
Write-downs / reversed write-downs	0	-25 852
Gains/losses on sale of shares	-16	-30 580
Gains/losses on sale of fixed assets	0	0
Group contribution received	-100 000	-21 517
Group contribution paid	21 517	6 671
Options	6 547	0
Change in inventory	0	0
Change in accounts receivable	36	1 699
Change in accounts payable	-1 086	357
Change in other time-limited items	22 539	-4 054
Net cash flow from operating activities	**32 257**	**-5 384**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant & equipment	0	0
Payments for purchase of property, plant & equipment	-402	-40
Change in intra-group balances	-33 316	-37 535
Proceeds from sale of long-term financial assets	26	64 538
Payments for purchase of long-term financial assets	0	-198 081
Net cash flow from investing activities	**-33 692**	**-171 118**
CASH FLOW FROM FINANCING ACTIVITIES		
Change in long-term debt	78 900	182 384
Net change in overdraft	-15 350	15 350
Change in debt to parent company	208	-28 988
Net receipts from share issue	112 476	0
Dividend (paid)	0	0
Net cash flow from financing activities	**176 233**	**168 746**
Net change in bank deposits, cash & cash equivalents	174 798	-7 756
Bank deposits, cash & cash equivalents 1 Jan	360	8 116
Bank deposits, cash & cash equivalents 31 Dec	**175 157**	**360**
Unused drawing rights	354 067	354 404

NOTES to the financial statements for 2007

Note 1

Accounting principles

The financial statements have been drawn up in accordance with the 1998 Accounting Act and NGAAP. The accounting principles described below are applied only to the parent company SalMar ASA. Notes relating to the SalMar Group are presented in conjunction with the Group's consolidated accounts.

USE OF ESTIMATES

Preparation of the financial accounts in accordance with generally accepted accounting practice requires that management make evaluations, estimates and assumptions that affect the application of accounting principles and the book value of assets and liabilities in the balance sheet, figures for revenue and expenses for the financial year, as well as information regarding uncertain assets and liabilities on the balance sheet date. Estimates and their underlying assumptions are based on historical experience and other factors that have been assessed as being relevant and probable at the time the evaluations are made. These evaluations affect the book value of the assets and liabilities where the valuation is not based on other sources. Estimates are reviewed continuously and final values and results may differ from these estimates. Changes in accounting estimates are included in the period the changes occur.

CLASSIFICATION AND EVALUATION OF BALANCE SHEET ITEMS

Liquid assets means bank deposits, cash and other current investments which may be converted into cash in less than three months.

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets and normally include items which fall due for payment in less than one year, as well as items which form part of the production cycle. Similar criteria are used when classifying long-term and current liabilities.

Fixed assets are recognised at acquisition cost. If the recoverable value of a fixed asset is lower than its book value, and the impairment is not expected to be of a temporary nature, the asset is written down to recoverable value. Fixed assets with a finite economic lifespan are depreciated systematically.

Current assets are recognised at the lower of acquisition cost and fair value.

Other long-term liabilities and current liabilities are recognised at face value.

REVENUES

Sales revenues are recognised when they are earned, ie when both risk and control have largely been transferred to the customer. This will normally be the case when the goods have been delivered to the customer. Revenues are recognised at the value of the consideration on the date the transaction took place. Services are taken to income as they are performed. Operating revenues are reported net of all charges, discounts, bonuses and other sales costs.

GOVERNEMENT GRANTS

Operating grants are allocated periodically and classified together with the revenue they are intended to augment or the expense they are intended to reduce.

ACCOUNTS RECEIVABLE

Accounts receivable and other receivables are recognised at face value less a provision for bad debts. Provisions for bad debts are made on the basis of an individual assessment of the receivable concerned.

PROPERTY, PLANT & EQUIPMENT

Property, plant & equipment are capitalised at historic cost and are depreciated over the asset's expected lifespan. Direct maintenance costs are recognised as operating expenses as they accrue, while additions and improvements are added to the asset's cost price and depreciated in line with the asset concerned. If the recoverable value of an asset is lower than its book value, it is written down to recoverable value. Recoverable value is the higher of net sales value and value in use. Value in use is the present value of future cash flows generated by the asset.

SUBSIDIARIES, ASSOCIATED COMPANYES AND OTHER SHARES

Subsidiaries, associated companies and other shares classified as fixed assets are recognised in accordance with the cost method. Subsidiaries are companies in which SalMar ASA has a controlling influence in law or in fact. A controlling interest is deemed to exist when direct or indirect ownership exceeds 50% of the voting capital. Associated companies are companies in which SalMar ASA has a considerable influence. Considerable influence is normally deemed to exist when the company owns 20-50% of the voting capital. Investments are recognised at the acquisition cost of the shares concerned unless a write-down has been necessary. Write-downs to fair value are performed when an impairment is due to causes which cannot be assumed to be of a temporary nature and where to do so must be deemed necessary with respect to generally accepted accounting practice. Write-downs are reversed when the cause of the write-down no longer exists.

Dividend and other payments are recognised as other financial income. If dividend exceeds the share of retained profit after acquisition, the excess amount represents a repayment of invested capital and the payout is deducted from the value of the investment in the balance sheet.

PENSIONS

In 2006 the company switched to a defined-contribution occupational pension scheme. Pension premiums are charged to expenses as they accrue, and the company has no obligations over and above the annual contribution.

In connection with the termination of the defined-benefits pension scheme, the net change in liabilities and pension fund assets, as well as unamortised differences in estimates, were posted to profit and loss.

SHARE BASED REMUNERATION
The fair value of share options is set on the date they are granted, using accepted valuation models adapted to the characteristics of the options in question. The value of the options thus set is posted to profit and loss periodically over the option's accrual period, with a corresponding increase in paid-in equity. The accrual period is the period from the establishment of the scheme until the options are fully accrued.

TAXATION
The tax expense is matched against the profit/loss before tax as it appears in the accounts. Tax ascribable to equity transactions is taken to equity. The tax expense comprises tax payable (tax on the year's direct taxable income) and changes in net deferred tax. Deferred tax is calculated at the rate of 28% on the basis of temporary differences between accounting and taxable values, as well as the taxable loss carried forward at the end of the financial year. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

CASH FLOW STATEMENT
The company's statement of cash flow shows a breakdown of the company's overall cash flow into operating, investing and financing activities. The statement shows the individual activity's impact on liquid assets. The statement of cash flow has been drawn up using the indirect method.

CHANGE IN ACCOUNTING PRINCIPLE AND COMPARABLE FIGURES
The figures presented for last year's accounts are comparable.

Note 2

Sales revenues

The parent company SalMar ASA is a holding company which primarily provides administrative services to its subsidiaries. The parent company's revenues derive therefore from only one business area.

Note 3

Salaries and payroll costs, no. of employees, remunerations, loans to employees, etc

Salaries and payroll costs

NOK 1 000	2007	2006
Salaries, including holiday pay and bonuses	20 125	7 904
Employers' national insurance contributions	1 216	515
Pension costs	518	1 107
Options	6 547	0
Other benefits	153	1 084
Total	**28 559**	**10 609**
Total employed (man-years) in the financial year	14	11

REMUNERATION TO SENIOR EXECUTIVES AND THE AUDITOR
For details of remuneration paid to senior executives, see Note 3 to the consolidated financial statements.

Auditor - NOK 1 000

Fees paid to the auditor (ex. VAT) break down as follows:	2007	2006
Statutory auditing	247	178
Other certification services	11	2
Tax advisory services	5	1
Other services	111	584
Total	**373**	**765**

Note 4

Property, plant & equipment

NOK 1 000	Land, buildings & other real estate	Machinery, plant, equipment & fixtures, etc	Vehicles, etc	TOTAL
Acquisition cost 1 Jan 2007	541	1 056	1 338	2 934
Additions	0	402	0	402
Disposals	0	0	0	0
Acquisition cost 31 Dec 2007	**541**	**1 457**	**1 338**	**3 336**
Acc.dep, write-downs & reversals 31 Dec 2007	0	938	252	1 190
Depreciation for the year	0	66	158	224
Write-downs for the year	0	0	0	0
Reversed write-downs	0	0	0	0
Acc.depreciation 31 Dec 2007	0	1 004	410	1 414
Net acc. dep & reversals 31 Dec 2007	0	0	0	0
Acc.dep, write-downs & reversals 31 Dec 2007	0	1 004	410	1 414
Book value as at 31 Dec 2007	**541**	**453**	**928**	**1 922**
Economic lifespan		7-20 years	5-14 years	
Depreciation plan		straight-line	straight-line	
Gains/losses on sale of fixed assets	0	0	0	0
Annual rental of non-capitalised operating assets	225	43	0	269

Note 5

Subsidiaries, associated companies, etc

Subsidiaries and associated companies are recognised at cost - NOK 1 000	Consolidated (yes/no)	Registered office	Voting share	Book value in SalMar ASA
Follasmolt AS	YES	Kverva	100 %	20 100
SalMar Farming AS	YES	Kverva	100 %	81 402
Senja Sjøfarm AS	YES	Senja	100 %	314 153
SalMar Processing AS	YES	Kverva	100 %	1 309
Astamarin AS	YES	Kverva	100 %	5 015
TOTAL subsidiaries				421 980
Norskott Havbruk AS	No	Bergen	50 %	162 787
Trøndersk Kystkompetanse AS	No	Dyrvik	20 %	103
TOTAL associated companies				162 890

COMPANY - NOK 1 000	Equity in last year's financial statements	Profit in last year's financial statements
Norskott AS	588 100	76 000
Trøndersk Kystkompetanse AS	500	0

In 2007 SalMar ASA recognised NOK 100,000,000 in group contributions from its subsidiary SalMar Farming AS (NOK 21,516,749 in 2006).

Note 6

Other financial assets

FIXED ASSETS
SHARES IN OTHER COMPANIES

The specification includes all shareholdings of less than 20% as at 31 Dec 2007

NOK 1 000	Shareholding	Book value
Aquagen AS	0,19 %	181
Hitra Frøya Fastlandssamband AS	0	3
Frøya Flyplass DA	0	10
TOTAL		193

Note 7

Receivables falling due more than one year hence

NOK 1 000	2007	2006
Other receivables	1 742	1 393
Loans to group companies	270 930	8 417

Note 8

Share capital and shareholders

AS AT 31 DEC 2007 THE COMPANY'S SHARE CAPITAL WAS MADE UP OF:	No.	Face value	Book value
Ordinære aksjer	103 000 000	0,25	25 750

Fo an overview of the largest shareholders and senior executives' shareholdings, see Note 11 to the consolidated financial statements.

DIVIDEND
The board has proposed a dividend of NOK 1,10 per share. If the AGM approves the proposed dividend, this will result in a total payout of NOK 113.3 million. The proposed dividend has been recognised as a liability as per 31 December 2007.

Note 9

Equity

NOK 1 000 Paid-in equity	Share capital	Share premium fund	Other paid-in equity
Equity 1 Jan 2007	25 000	0	2 066
Options	0	0	6 547
Share issue	750	112 880	0
Equity 31 Dec 2007	**25 750**	**112 880**	**8 613**

NOK 1 000 Retained earnings	Other equity	Total retained earnings
Equity 1 Jan 2007	**76 039**	**76 039**
Net profit for the year	57 613	57 613
Dividend	-113 300	-113 300
Equity 31 Dec 2007	**20 352**	**20 352**

Note 10

Pension costs

The company is obliged to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act, and has a pension scheme that fulfils the requirements of this legislation. The company does not operate any defined-benefit pension schemes. Premiums relating to the defined-contribution scheme are charged to expenses as they occur. NOK 653,651 was charged to expenses in connection with the defined-contribution scheme in 2007.

Note 11

Intra-group balances, etc

	Loans		Other receivables	
NOK 1 000	2007	2006	2007	2006
Group companies	270 930	8 417	103 393	98 273
Associated companies	0	0	0	0
Total	**270 930**	**8 417**	**103 393**	**98 273**

	Other short-term debt		Group contribution	
NOK 1 000	2007	2006	2007	2006
Group companies	232 901	77 285	0	0
Associated companies	0	0	0	0
Total	**232 901**	**77 285**	**0**	**0**

Note 12

Tax

THE TAX EXPENSE FOR THE YEAR BREAKS DOWN AS FOLLOWS:

NOK 1 000	2007	2006
Tax payable	25 875	0
Change in deferred tax	-988	675
Shortfall/excess tax provisions	-3	0
Tax expense on ordinary profit	**24 885**	**675**
CALCULATION OF TAXABLE INCOME		
Profit before tax	82 497	69 021
Permanent differences	6 388	-66 609
Change in temporary differences	3 527	-2 412
Group contributions received/paid	0	0
Tax loss carried forward	0	0
Year's taxable income	**92 412**	**0**
TAX PAYABLE IN THE BALANCE SHEET		
Tax payable for the year	25 875	0
Tax on group contributions paid	0	0
Change in tax payable previous years	-18	0
Tax on equity transactions	-1 154	0
Tax payable in the balance sheet	**24 703**	**0**

NOK 1 000

SPECIFICATION OF TEMPORARY DIFFERENCES	2007	2006
Operating assets, incl. goodwill	736	751
Receivables	0	3 117
Current liabilities	-203	0
Long-term liabilities	0	0
Gains/losses account	816	1 020
Losses carried forward	0	0
Unused share dividend payments	0	0
TOTAL temporary differences	**1 349**	**4 888**
Deferred tax liabilities (+) / assets (-)	378	1 369

NOK 1 000

RECONCILIATION FROM NOMINAL TO ACTUAL TAX RATE		
Profit before tax	82 497	69 021
Expected tax at nominal tax rate	23 099	19 326
Permanent differences (28%)	1 789	-18 650
Shortfall/ excess tax provisions	-3	0
Calculated tax expense	**24 885**	**675**
Effective tax rate	30,2 %	1,0 %

Note 13

Liabilities

NOK 1 000

DEBT FALLING DUE MORE THAN FIVE YEARS AFTER THE END OF THE FINANCIAL YEAR:	2007	2006
Debt to credit institutions	443 400	367 407
Other long-term liabilities	0	0
Total other long-term liabilities	**443 400**	**367 407**

LOAN REPAYMENT PROFILE

In December 2006 SalMar signed a new loan agreement. The loan agreement is divided into four tranches, with varying quarterly repayment profiles. Interest terms are based on so-called "current terms".

FINANCIAL COVENANTS

The most important financial covenants with respect to SalMar ASA's long-term financing are, respectively, a solvency requirement which stipulates that the Group's book equity ratio must exceed 30% (down to 25% for a 12-month period), and a profit requirement which stipulates that the company's average interest-bearing debt to EBITDA ratio shall not exceed 4.5.

For further details regarding the company's financing, see Note 13 to the consolidated financial statements.

Note 14

Mortgages, guarantees, etc

NOK 1 000 RECOGNISED DEBT SECURED THROUGH MORTGAGE ETC:	2007	2006
Short-term debt to credit institutions	0	15 349
Long-term debt to credit institutions	608 900	530 000
Other long-term liabilities	0	0
Total	608 900	545 349

NOK 1 000 BOOK VALUE OF ASSETS PLEDGED AS SECURITY FOR RECOGNISED DEBT		
Property, plant & equipment	1 922	1 745
Shares	584 870	585 073
Inventory	0	0
Receivables	223 004	115 192
Total	809 796	702 010

SalMar ASA has issued a guarantee to lenders in connection with the financing of the associated company Norskott Havbruk AS's subsidiary Scottish Seafarms Ltd. As at 31 December 2007 the sum guaranteed had been adjusted down to GBP 0.5 million.

SalMar ASA stands surety for a total of NOK 17,000,000 with respect to a credit facility granted by Elcon Finans AS to SalMar Processing AS.

SalMar ASA has issued a guarantee for NOK 5,000,000 to Nord-Trøndelag E-verk on behalf of Follasmolt AS. The guarantee agreement was entered into 1 January 2004 and is reduced by NOK 250,000 per year. As at 31 December 2007 the remaining amount guaranteed totalled NOK 4,000,000.

SalMar ASA has issued guarantees to Senja Sjøfarm AS's lenders that SalMar ASA will inject whatever equity may be necessary to ensure that Senja Sjøfarm AS is at all times able to maintain an equity ratio of at least 25%.

Note 15

Government grants

In 2007 the company undertook R&D projects which qualified for assistance under the SkatteFUNN scheme. Accrued SkatteFUNN contributions are netted against the costs to which they relate. In 2007 the company recognised a total of NOK 350,000 in SkatteFUNN contributions.

Note 16

Financial risk

For further details regarding the financial market risk to which the company and the Group are exposed, see Note 19 to the consolidated financial statements.

Note 17

Bank deposits

Bank deposits, cash and cash equivalents as at 31 Dec 2007 includes NOK 610,500 in restricted funds deriving from employees' income tax deductions. The corresponding figure for 2006 was NOK 359,786.

AUDITORS report

SYSTEMREVISJON

To the General Meeting of
SalMar ASA

AUDITOR'S REPORT FOR 2007

We have audited the annual financial statements of SalMar ASA of 31 December 2007, showing a profit of NOK 57 613 000,- for the Parent company and a profit of NOK 351 829 000,- for the Group. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the financial statements for the Parent company and the Group. The financial statements for the Parent company comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The financial statements of the Group comprise the balance sheet, the statements of income and cash flows, the statement of changes in equity and the accompanying notes. The rules of the Norwegian accounting act and good accounting practice in Norway have been applied in the preparation of the financial statement of the Parent company. International Financial Reporting Standards as adopted by the EU have been applied in the preparation of the financial statements of the Group. These financial statements and the Directors' report are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with laws, regulations and auditing standards and practices accepted in Norway, including the audit standards adopted by the Norwegian Institute of Public Accountants. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements of the Parent Company are prepared in accordance with the law and regulations and present fairly, in all material respects the financial position of the Company as of 31 December 2007, and the results of its operations and its cash flows for the year then ended, in accordance with good accounting practice in Norway
- the financial statements of the Group are prepared in accordance with the law and regulations and present fairly, in all material respects the financial position of the Group as of 31 December 2007, and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good bookkeeping practice in Norway
- the information in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and comply with the law and regulations.

Trondheim, April 28th 2008
Systemrevisjon AS

Trond Tuvstein
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only

SYSTEMREVISJON AS
Statsautoriserte Revisorer
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Medlemmer av Den norske Revisorforening

SHAREHOLDER information

TECHNICAL INFORMATION

SalMar ASA had per 31.12.2007 103 million shares outstanding
The number of shares was increased form 100 million to 103 million in connection with the stock market listing in May.
SalMar had per 31.12.2007 1 589 shareholders
SalMar's VPS number is ISIN NO 0010310956
The company's share registrar is Nordea Bank

SHARE PRICE

SalMar's shares were first listed on Oslo Stock exchange on the 8th of May at a price of NOK 39 per share. The company was then valued at NOK 4 017 million. The share price was NOK 44 by the end of 2007, valuing the company at NOK 4 532 million.

SALMAR'S 20 BIGGEST SHAREHOLDERS PER 31.12.2007

Name	Shares	Share (%)
Kverva AS	55 000 000	53,40 %
JP Morgan Chase Bank	6 500 000	6,31 %
Verdipapirfond Odin Norge	5 275 950	5,12 %
Pareto Aksje Norge	4 298 600	4,17 %
Verdipapirfond Odin Norden	3 123 550	3,03 %
Bank of New York	2 669 400	2,59 %
LIN AS	2 500 000	2,43 %
Folketrygdfondet	2 270 700	2,20 %
Pareto Aktiv	1 863 500	1,81 %
Fortis Bank Luxembourg	1 564 429	1,52 %
Sparebanken Midt-Norge Invest	865 200	0,84 %
Centra Capital AS	845 000	0,82 %
Storebrand Livsforsikring	677 100	0,66 %
Odin Global Fond	500 000	0,49 %
Aksjefondet Odin Norge II	480 500	0,47 %
Holberg Norge	460 000	0,45 %
Holberg Norden	444 300	0,43 %
DnB NOR SMB Verdipapirfond	420 000	0,41 %
Goldman Sachs International	405 760	0,39 %
Odin Global SMB Fond	375 000	0,36 %
Total 20 largest shareholders	90 538 989	87,90 %
Total other shareholders	12 461 011	12,10 %
Total no. of shares	103 000 000	100,00 %

Financial calendar 2008

Please note that the calendar is subject to change and will be updated on the company's website if any changes occur
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February 28th	Presentation of Q4 and preliminary results for 2007
April 29th	Presentation of Q1 2008
August 13th	Presentation of Q2 2008
October 31st	Presentation of Q3 2008
May 21st	Annual general meeting. 14.00 p.m. in Trondheim

The board proposes the payment of a dividend of NOK 1,10 per share, a total of NOK 113,3 million.

The shares will trade exclusive of rights to dividend from **22nd of** May 2008.

MANAGEMENT

LEIF INGE NORDHAMMER

President and CEO
Joined SalMar in 1996

Mr. Nordhammer has been CEO of SalMar ASA since October 1996. He has extensive experience from leadership positions in a variety of companies, and has worked in the fish farming industry since 1985. Previous employers include Sparebanken 1Midt-Norge and Frøya Holding AS/ Hydro Seafood AS. Mr Nordhammer holds a business degree from Trondheim Business College and the University of Trondheim.

Shareholdings: Mr Nordhammer owns 100% of LIN AS, which in turn owns 2,43% of the shares in SalMar ASA.
Options: None

GUSTAV WITZØE

Manager SalMar Processing
Joined SalMar in 1991

Mr Witzøe is the co-founder of SalMar ASA. After several years of working as an engineer he set up BEWI AS, a company producing Styrofoam boxes for the fish farming industry. He held the position as managing director of BEWI AS until 1990. Since Mr Witzøe founded SalMar ASA in 1991 he has gained extensive experience in fish farming and processing. Mr Witzøe holds a degree in engineering.
Shareholdings: Mr Witzøe owns 91,8% of Kverva AS, which in turn owns 53,4% of the shares in SalMar ASA.
Options: None

ROAR HUSBY

Chief Financial Officer
Joined SalMar in 2007

Mr Husby has previously held positions with Ernst & Young AS in Trondheim (2002 - 2007) and strategy consultancy Marakon Associates in London (1997 - 2002). He graduated from London School of Economics and Political Science in 1997 with a BSc and an MSc in Management.

Shareholdings: None
Options: 100.000

BJØRN LARSEN

Manager SalMar Farming
Joined SalMar in 1997

Mr Larsen has been head of SalMar´s fish farming division since 1997. He has extensive experience from the salmon farming industry. Before joining SalMar ASA, Mr Larsen held various positions in companies within the aquaculture industry, including Frøya Lakseslakteri og Fiskeoppdrett AS, Timar AS and Frøya Holding AS.

Shareholdings: 5.000
Options: 325.000

KARL CHR. AAG

Manager SalMar Freshwater
Joined SalMar in 1995

Mr Aag has been head of SalMar´s freshwater/smolt division since 1995. He founded Follasmolt AS in 1985, where he served as General Manager until the company was acquired by SalMar ASA in 1995. Mr Aag holds an MSc from the Norwegian University of Agriculture at Ås.

Shareholdings: 53.400
Options: 325.000

PÅL GEORG STORØ

Manager Value Added Production (VAP)
Joined SalMar in 1991

Mr Storø is head of SalMar's VAP business. Before joining SalMar, Mr Storø was area manager for Felleskjøpet Trondheim, department for fish feed (1989 - 1991). He was operations manager at Valen Klekkeri/Storø Fiskeopdrett in the period 1984 - 1989. He is a trained chef from Trondheim Kokk- og Stuertskole (1975–1980), and has a Bachelor's degree from Statens Næringsmiddeltekniske Høyskole (1981–1984).

Shareholdings:3.600
Options: 325.000

BJØRN HEMBRE

General Manager of SalMar Northern Norway (Senja Sjøfarm AS) Joined Salmar in 1998

Mr Hembre joined SalMar as production manager and was subsequently appointed production coordinator for North Trøndelag, a position he held until 2005. He then spent two years as production manager for Fjord Seafood Norway's Farming Division. Mr Hembre re-joined SalMar Nord in January 2007.

Shareholdings: None
Options: 100.000

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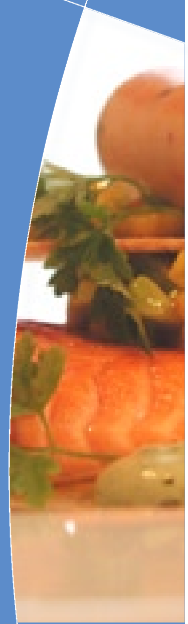

Rosenborg Reklame AS. Photo: GEir Terje Nergård / AquaGen / SalMar