

# Quarterly Report

## Fourth Quarter 2007



## Considerable increase in harvested volumes in 2007 – solid results due to good biological production

- SalMar continues the positive biological development and the company harvested as much in Norway in the fourth quarter 2007 as in the third quarter 2007, thus equalling the record for the highest volume ever for a single quarter in Norway.
- The volume harvested by the Group in 2007 was approx. 64,100 tonnes, up from approx. 44,000 tonnes in 2006.
- The SalMar Group made an operating profit before adjustment of fair value of biomass of NOK 68.9 million in the fourth quarter 2007, compared with NOK 161.8 million in the corresponding quarter in 2006. Including 50 % of Norskott Havbruk AS, operating profit totalled NOK 71.3 million, compared with NOK 206.6 million in the corresponding quarter in 2006.
- The SalMar Group, including its 50 % stake in Norskott Havbruk AS, harvested approx. 17,100 tonnes gutted weight of salmon in the fourth quarter 2007, compared with 17,300 tonnes in the corresponding quarter in 2006.
- The SalMar Group had gross operating revenues of NOK 1,679.2 million in 2007, NOK 430.6 million higher than in 2006 (NOK 1,248.6 million). Operating profit before adjustment of fair value of biomass totalled NOK 411.4 million, compared with NOK 447.4 million in 2006.
- The SalMar Group achieved an operating profit per kilo gutted weight of NOK 4.85 in the fourth quarter 2007, compared with NOK 11.72 in the corresponding quarter in 2006. For the year as a whole, operating profit per kilo gutted weight totalled NOK 7.89, compared with NOK 14.0 in 2006.
- SalMar Central Norway made an operating profit per kilo gutted weight of NOK 5.83 in the fourth quarter 2007, compared with NOK 13.74 in the corresponding quarter in 2006. For the year as a whole, operating profit per kilo gutted weight totalled NOK 9.42, compared with NOK 14.98 in 2006.
- SalMar Northern Norway (Senja Sjøfarm) improved its operating performance and achieved higher margins than in 2006, relatively speaking. Its key biological figures also improved. Operating profit per kilo gutted weight in Q4 2007 was NOK 2.53, compared with NOK 3.54 in the same quarter 2006. For 2007 as a whole the operating profit per kilo was NOK 2.11.
- Norskott Havbruk AS made an operating profit before adjustment of fair value of biomass of NOK 4.8 million in the fourth quarter 2007, compared with NOK 89.6 million in the corresponding quarter in 2006. Operating profit per kilo gutted weight in the fourth quarter totalled NOK 0.83, compared with NOK 12.77 in the corresponding quarter in 2006.
- Salmar expects to harvest some 60,000 tonnes gutted weight in Norway in 2008 (52 200 tonnes in 2007). Including SalMar's stake in Norskott Havbruk AS, total volume harvested is expected to come to approx. 73,000 tonnes gutted weight (64 100 tonnes in 2007).
- The board of directors proposes payment of a dividend for 2007 of NOK 1.10 per share. (NOK 113.3 million in total)

## Key figures

NOK million	4Q 07	4Q 06	FY 2007	FY 2006
<b>Profit and Loss Account</b>				
Operating income	454,3	436,2	1 679,2	1 248,6
EBIT before biomass adjustment	68,9	161,8	411,4	447,4
EBIT before biomass adjustment %	15,2 %	37,1 %	24,5 %	35,8 %
Biomass adjustment	160,7	-18,6	94,2	63,7
Income from associated companies	1,9	24,8	31,6	91,8
Earnings before tax	218,4	158,4	481,3	577,3
<b>Balance Sheet</b>				
Fixed assets	1 696,5	1 346,4	1 696,5	1 346,4
Current assets	1 197,8	923,1	1 197,8	923,1
Total assets	2 894,4	2 269,5	2 894,4	2 269,5
Equity	1 321,5	885,2	1 321,5	885,2
Net interest bearing debt	805,2	764,9	805,2	764,9
Other debt	719,8	612,1	719,8	612,1
Equity ratio	45,7 %	39,0 %	45,7 %	39,0 %
Earnings per share (NOK)	1,50	1,25	3,45	4,45
Earnings per share - diluted (NOK)	1,50	1,25	3,45	4,45

## Harvested volumes

1,000 tgw	Share	2007		2006		2007		2006	
		4Q 07	SalMar	4Q 06	SalMar	FY	SalMar	FY	SalMar
SalMar Central-Norway	100 %	11,7	11,7	11,6	11,6	45,1	45,1	29,8	29,8
SalMar Northern-Norway *	100 %	2,5	2,5	2,2	2,2	7,0	7,0	6,3	4,2
<b>Total Norway</b>		<b>14,2</b>	<b>14,2</b>	<b>13,8</b>	<b>13,8</b>	<b>52,2</b>	<b>52,2</b>	<b>36,1</b>	<b>34,0</b>
Norskott Havbruk (Scottish Sea Farms)	50 %	5,8	2,9	7,0	3,5	23,8	11,9	20,1	10,1
<b>Total</b>		<b>20,0</b>	<b>17,1</b>	<b>20,8</b>	<b>17,3</b>	<b>75,9</b>	<b>64,1</b>	<b>56,2</b>	<b>44,0</b>

\* Consolidated from 1 October 2006

## Revenues and results

The Group achieved gross operating revenues of NOK 454.3 million in the fourth quarter 2007, compared with NOK 436.2 million in the corresponding quarter in 2006. This represents an increase of 4 %.

Increase harvesting and sales on behalf of other fish farmers helped to keep revenues on a par with the fourth quarter 2006, despite equal harvested volumes from own production and significantly lower salmon prices.

For 2007 as a whole the Group achieved gross operating revenues of NOK 1,679.2 million, compared with NOK 1,248.6 million in 2006, a rise of approx. 34 %.

SalMar Central Norway harvested approx. 11,700 tonnes gutted weight in the fourth quarter 2007, compared with 11,600 tonnes in the corresponding quarter in 2006. SalMar Northern Norway (Senja Sjøfarm) harvested approx. 2,500 tonnes gutted weight during the fourth quarter, compared with approx. 2,200 tonnes in the corresponding quarter the year before. SalMar Central Norway harvested approx. 45,100 tonnes during 2007 as a whole, while SalMar Northern Norway harvested approx. 7,000 tonnes. The corresponding figures for 2006 were approx. 29,800 tonnes for Central Norway and 4,200 tonnes for Northern Norway (Senja Sjøfarm has been consolidated since the fourth quarter 2006)

Operating profit before adjustment of fair value of biomass totalled NOK 68.9 million in the fourth quarter 2007, compared with NOK 161.8 million in the corresponding quarter in 2006. The most important reason for this reduction is the low price of salmon in the fourth quarter 2007 compared with the same period in 2006.

This resulted in an operating profit per kilo gutted weight in the fourth quarter 2007 of NOK 5.83 for SalMar Central Norway and NOK 2.53 for SalMar Northern Norway. SalMar Central Norway maintained high levels of biological production during the quarter and posted satisfactory results. The biological key figures also show an improvement for Northern Norway.

SalMar's key figures for profit performance under IFRS are *EBIT (operating profit) before adjustment of fair value of biomass*. *Adjustment of fair value of biomass* results from the requirement to value biological assets (the biomass) at fair value instead of cost price. Changes in price and the composition of the biomass during a period can therefore have a major impact on this value. SalMar reports EBIT before adjustment of fair value of biomass in order to show the underlying performance of its operations during the period.

Adjustment of fair value of biomass in accordance with IFRS resulted in an unrealised gain of NOK 160.7 million in the fourth quarter 2007, compared with an unrealised loss of NOK 18.6 million in the corresponding period in 2006. This change in the quarter can be ascribed to higher prices at the end of the fourth quarter compared with the start of the quarter, combined with changes in the composition of the biomass at the end of the quarter compared to the start.

The associated company Norskott Havbruk AS made an operating profit before adjustment of fair value of biomass of NOK 4.8 million in the fourth quarter 2007, compared with NOK 89.6 million in the

corresponding period in 2006. Since Norskott Havbruk is defined as an associated company, 50 % of its net profit is included in SalMar's accounts (financial income). The company contributed NOK 1.9 million in the fourth quarter 2007, compared with NOK 20.4 million in the same quarter in 2006. The reduction can be ascribed to a slight fall in harvested volume, lower prices, mortality and costs linked to acquisition processes.

Net financial items totalled NOK -13 million in the fourth quarter 2007, compared with NOK -9.6 million in the corresponding quarter in 2006. The change can largely be ascribed to an increase in long-term liabilities in connection with acquisitions and generally higher interest rates.

The Group made a net profit (after adjustment of fair value of biomass) of NOK 154.7 million in the fourth quarter 2007, compared with NOK 124.7 million in the same quarter in 2006. Earnings per share during the period were NOK 1.50, compared with NOK 1.25 in the same quarter in 2006.

## **Balance sheet**

The Group's balance sheet totalled NOK 2,894.4 million as at 31 December 2007, compared with NOK 2,269.5 million at the same date in 2006. The increase is due to a rise in intangible assets (acquisition of production licences) and an increase in the value of the biomass.

At the end of the fourth quarter 2007 the Group had total equity of NOK 1,321.5 million, which corresponds to an equity ratio of approx. 46 %. The Group's equity rose by NOK 436.3 million during 2007, while its equity ratio rose by 6.5 percentage points. This can be ascribed to the profit achieved during the period and the share issue carried out in association with the company's stock market listing in May 2007.

Net interest-bearing debt for the Group totalled NOK 805.2 million at the end of the fourth quarter 2007, compared with NOK 764.9 million at the same date in 2006. The change can be ascribed to an increase in long-term liabilities associated with the acquisition of eight production licences, less a reduction in short-term interest-bearing debt, and increase in cash resulting from the share issue in May 2007.

## **Cash flow and financing**

The Group had a positive cash flow from operating activities of NOK 55.3 million in the fourth quarter 2007. This is NOK 143.2 million less than in the corresponding quarter in 2006. The change can be ascribed to lower profits as well as changes in working capital. The Group's overall cash flow during the quarter was negative in the amount of NOK 78.5 million.

## **Tax**

The Group's net tax expense for the fourth quarter 2007 is calculated at NOK 63.7 million

## **Dividend**

The board of directors proposes payment of a dividend for 2007 of NOK 1.10 per share. (NOK 113.3 million in total)

## Share information

At the end of the fourth quarter 2007 the company had 103 million shares outstanding, divided between 1,589 shareholders.

SalMar's share price during the quarter fluctuated between NOK 37.50 and NOK 44.00, and stood at NOK 44.00 at the end of the quarter. During the fourth quarter 5.1 million SalMar shares were traded.

## Segments

SalMar operates 52 wholly owned salmon farming licences (two acquired in October and four in December 2007). Of these, 39 licences, each of 780 tonnes MAB (maximum allowable biomass), are located in the central Norwegian regions of Trøndelag and Nordmøre which make up the company's core business area SalMar Central Norway. 13 licences, owned through SalMar's wholly owned subsidiary Senja Sjøfarm AS, are located in Troms county: 12 of these have an MAB of 900 tonnes, while one has an MAB of 780 tonnes). SalMar owns and operates five licences for the production of fry and smolt in central Norway and one in northern Norway, and is self-sufficient in terms of smolt. SalMar has a substantial harvesting and secondary processing (VAP) business, co-located with the company's head office at Frøya in South Trøndelag county.

### SalMar Central Norway

	4Q 07	4Q 06	FY 2007	FY 2006
Operating income	457,6	426,0	1 675,6	1 238,4
EBIT before biomass adjusted	68,1	159,7	424,9	446,0
EBIT before biomass adjusted %	14,9 %	37,5 %	25,4 %	36,0 %
Harvest volume (1,000 tgw)	11,7	11,6	45,1	29,8
EBIT/ kg gw (NOK)	5,83	13,74	9,42	14,98

SalMar Central Norway generated gross operating revenues of NOK 457.6 million in the fourth quarter 2007, compared with NOK 426 million in the corresponding quarter in 2006. This represents a rise of 7 %. Operating profit adjustment of fair value of biomass was NOK 68.1 million, compared with NOK 159.7 million in the same quarter 2006.

SalMar Central Norway harvested approx. 11,700 tonnes gutted weight during the fourth quarter 2007, compared with 11,600 tonnes in the same quarter in 2006 and made an operating profit per kilo gutted weight of NOK 5.83, compared with NOK 13.74 in the same quarter 2006.

Gross operating revenues rose during the quarter, despite substantially lower salmon prices than in the same quarter in 2006. This can be ascribed to higher volumes harvested and sold on behalf of SalMar Northern Norway and third-party fish farmers. The reduction in operating profit can largely be ascribed to lower salmon prices compared with the same quarter in 2006. Moreover, a higher proportion of the harvested volume derives from acquired companies which have a slightly higher cost price than that achieved by the rest of the SalMar Group. The effect of higher feed costs had a gradual impact during the quarter.

Biological conditions during the quarter were good.

### SalMar Northern Norway (Senja Sjøfarm)

	4Q 07	4Q 06	FY 2007	FY 2006
Operating income	57,2	56,9	166,8	56,9
EBIT before biomass adjusted	6,4	7,7	14,8	7,7
EBIT before biomass adjusted %	11,2 %	13,6 %	8,9 %	13,6 %
Harvest volume (1,000 tgw)	2,5	2,2	7,0	2,2
EBIT/ kg gw (NOK)	2,53	3,54	2,11	3,54

SalMar Northern Norway generated gross operating revenues of NOK 57.2 million in the fourth quarter 2007 and an operating profit adjustment of fair value of biomass of NOK 6.4 million. SalMar Northern Norway harvested approx. 2,500 tonnes gutted weight during the quarter. This corresponds to an operating profit per kilo gutted weight of NOK 2.53, compared with NOK 3.54 in the same quarter 2006.

Operational and biological focus remains the highest priority for the business in northern Norway. The key biological figures show improvements and every effort is being made to implement measures which will further enhance the business's financial results.

The integration of four new production licences following the acquisition of Arctic Salmon will be accomplished rapidly. With 13 licences SalMar is well positioned for organic growth in northern Norway.

### Norskott Havbruk AS – associated company

SalMar owns 50 per cent of Norskott Havbruk AS, which in turn owns 100 per cent of Scottish Sea Farms Ltd. Scottish Sea Farms is the UK's second largest fish farming company, with a production capacity of approx. 30,000 tonnes gutted weight of Atlantic salmon. The remaining shares in Norskott are owned by Lerøy Seafood Group ASA.

NOK million	4Q 07	4Q 06	FY 2007	FY 2006
Operating income	187,9	230,2	841,4	790,8
EBIT before biomass adjustment	4,8	89,6	140,4	212,0
EBIT before biomass adjustment %	2,6 %	38,9 %	16,7 %	26,8 %
Value adjustment biomass	-1,5	-21,3	-39,9	25,0
Earnings before tax	-2,8	63,8	81,0	219,5
SalMars share after tax	1,9	20,4	31,2	75,1
Harvest volume (1,000 tgw)	5,8	7,0	23,8	20,1
EBIT/ kg gw (NOK)	0,83	12,77	5,90	10,5
<b>Balance Sheet</b>				
Fixed assets			584,2	519,7
Current assets			568,9	607,0
Total assets			1 153,1	1 126,7
Equity			516,2	523,2
Net interest bearing debt			266,3	286,0
Other debt			370,6	317,4
Equity ratio			44,8 %	46,4 %

Norskott Havbruk AS generated gross operating revenues of NOK 187.9 million in the fourth quarter 2007, compared with NOK 230.2 million in the corresponding quarter in 2006. Operating profit before adjustment of fair value of biomass was NOK 4.8 million, compared with NOK 89.6 million in the same period 2006. The company harvested approx. 5,800 tonnes gutted weight in the fourth quarter 2007, compared with approx. 7,000 tonnes in the same quarter 2006.

Operating profit per kilo gutted weight totalled NOK 0.83, compared with NOK 12.77 in the same quarter in 2006.

The reduction in both operating revenues and profits can largely be ascribed to lower prices, lower volume and biological challenges.

SalMar's share of the profit after tax and adjustment of fair value of biomass from Norskott Havbruk AS was NOK 1.9 million in the fourth quarter 2007, compared with NOK 20.4 million in the same quarter the year before.

## **Markets, outlook and overall objectives**

The volume growth in exports from Norway continued during the fourth quarter 2007, ending 10 % higher than in the same quarter in 2006.

Demand remains strong in the most important markets, with volume growth in the EU totalling 9 % or just over 61,000 tonnes for the whole of 2007. Of importance to Norway is also the fact that the Russian market continues to grow – volumes rose by 38 % in 2007.

The price of salmon, as reported by the Norwegian Seafood Federation (FHL), fell during the fourth quarter 2007 to an average of NOK 22.80, compared with NOK 26.00 in the same quarter the year before. The price to the consumer during the same period has not seen the same decrease, and demand in general is therefore considered to be good. The price of salmon has risen at the start of 2008, as has the volume of exports from Norway.

The global biomass of Atlantic salmon is reported by Kontali Analyse to be around 10 % higher at the end of 2007 than at the same point in 2006. The disease issues experienced in Chile and the west of Norway could lead to a reduction in harvest volumes in 2008.

A focus on day-to-day operations and further growth in the utilisation of existing licences will continue to be a high priority for SalMar. In 2008 SalMar Northern Norway will achieve a significant growth in volumes compared with 2007. SalMar is in the final stages of designing a new plant at Frøya (InnovaMar).

SalMar has a strong financial position and is well equipped for further growth, both organic and through acquisitions.

Frøya, 27 February 2008

The Board of Directors of  
SalMar ASA



For more information on SalMar ASA

[www.salmar.no](http://www.salmar.no)

<b>Profit and Loss Account - SalMar Group</b>				
NOK million	4Q 07	4Q 06	FY 2007	FY 2006
<b>Operating income</b>	<b>454,3</b>	<b>436,2</b>	<b>1 679,2</b>	<b>1 248,6</b>
Cost of goods sold	239,0	177,3	806,5	520,6
Payroll expenses	70,6	46,7	217,8	131,9
Other operating expenses	58,6	38,7	191,3	110,9
EBITDA	86,2	173,4	463,6	485,2
Depreciations	17,3	11,7	52,2	37,9
<b>EBIT before biomass adjustment</b>	<b>68,9</b>	<b>161,8</b>	<b>411,4</b>	<b>447,4</b>
Value adjustment biomass	160,7	-18,6	94,2	63,7
<b>EBIT after biomass adjustment</b>	<b>229,6</b>	<b>143,1</b>	<b>505,6</b>	<b>511,1</b>
Income from associated companies	1,9	24,8	31,6	91,8
Other financial items	-13,0	-9,6	-56,0	-25,5
<b>Earnings before tax</b>	<b>218,4</b>	<b>158,4</b>	<b>481,3</b>	<b>577,3</b>
Tax	63,7	33,7	129,4	132,2
<b>Result for the period</b>	<b>154,7</b>	<b>124,7</b>	<b>351,8</b>	<b>445,1</b>
Minority `s share of result	-0,0	0,1	-0,0	0,1
Majority`s share of result	154,7	124,7	351,9	445,0
Earnings per share (NOK)	1,50	1,25	3,45	4,45
Earnings per share - diluted (NOK)	1,50	1,25	3,45	4,45

NOK million	4Q 07	4Q 06	FY 2007	FY 2006
Net cash flow from operating activities	55,3	198,5	251,3	245,4
Net cash flow from investing activities	-192,4	-265,4	-345,5	-413,5
Net cash flow from financing activities	58,6	69,5	135,1	172,1
<b>Net change in cash for the period</b>	<b>-78,5</b>	<b>2,7</b>	<b>40,9</b>	<b>4,0</b>
Cash in the beginning of the period	126,3	4,3	7,0	3,0
<b>Cash at the end of the period</b>	<b>47,8</b>	<b>7,0</b>	<b>47,8</b>	<b>7,0</b>

<b>Balance Sheet - SalMar Group</b>		
NOK million	31.12.2007	31.12.2006
<b>ASSETS</b>		
Intangible fixed assets	1 078,5	767,7
Tangible fixed assets	348,2	306,6
Financial fixed assets	269,8	272,2
<b>Total fixed assets</b>	<b>1 696,5</b>	<b>1 346,4</b>
Inventory	969,7	754,4
Accounts receivables	124,3	110,2
Other short-term receivables	56,0	51,5
Cash and cash equivalents	47,8	7,0
<b>Total current assets</b>	<b>1 197,8</b>	<b>923,1</b>
<b>TOTAL ASSETS</b>	<b>2 894,4</b>	<b>2 269,5</b>
<b>EQUITY AND LIABILITIES</b>		
Paid-in equity	144,0	25,0
Reserves	1 176,8	859,5
Minority interests	0,6	0,7
<b>Total equity</b>	<b>1 321,5</b>	<b>885,2</b>
Provisions for liabilities	463,7	339,5
Interest bearing long-term liabilities	764,7	622,7
<b>Total long-term liabilities</b>	<b>1 228,4</b>	<b>962,2</b>
Interest bearing short-term liabilities	88,4	149,5
Other short-term liabilities	256,1	272,6
<b>Total short-term liabilities</b>	<b>344,5</b>	<b>422,1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 894,4</b>	<b>2 269,5</b>

**Net interest bearing liabilities** **805,2**      **764,9**

<b>Changes in Equity - SalMar Group</b>		
NOK million	31.12.2007	31.12.2006
<b>Equity 01.01.</b>	885,2	407,6
Change in conversions differences	-34,5	3,2
Profit/ loss for the period	351,8	445,1
Net issue IPO	112,5	-
Options	6,5	-
Group formation - Effect of phased purchases	0,1	28,8
Equity transactions in associated companies	-0,2	0,5
<b>Closing equity</b>	<b>1 321,5</b>	<b>885,2</b>

<b>Segment Information - SalMar Group</b>				
	<b>Central Norway</b>	<b>Northern Norway</b>	<b>Elim.</b>	<b>Konsern</b>
<b>4Q 07</b>				
Operating income (mill.)	457,6	57,2	-60,5	454,3
EBIT before biomass adjustment (mill.)	68,1	6,4	-5,6	68,9
EBIT before biomass adjustment %	14,9 %	11,2 %		15,2 %
Harvested volume (1,000 t <sub>gw</sub> )	11,7	2,5		14,2
EBIT/ kg gw (NOK)	5,83	2,53		4,85
<b>4Q 06</b>				
Operating income (mill.)	426,0	56,9	-46,8	436,2
EBIT before biomass adjustment (mill.)	159,7	7,7	-5,6	161,8
EBIT before biomass adjustment %	37,5 %	13,6 %		37,1 %
Harvested volume (1,000 t <sub>gw</sub> )	11,6	2,18		13,8
EBIT/ kg gw (NOK)	13,74	3,54		11,72
<b>2007</b>				
Operating income (mill.)	1 675,6	166,8	-163,1	1 679,2
EBIT before biomass adjustment (mill.)	424,9	14,8	-28,4	411,4
EBIT before biomass adjustment %	25,4 %	8,9 %		24,5 %
Harvested volume (1,000 t <sub>gw</sub> )	45,1	7,0		52,2
EBIT/ kg gw (NOK)	9,42	2,11		7,89
<b>2006</b>				
Operating income (mill.)	1 238,4	56,9	-46,8	1 248,6
EBIT before biomass adjustment (mill.)	446,0	7,7	-6,4	447,4
EBIT before biomass adjustment %	36,0 %	13,6 %		49,6 %
Harvested volume (1,000 t <sub>gw</sub> )	29,78	2,18		32,0
EBIT/ kg gw (NOK)	14,98	3,54		14,0

Depreciation and the realised gains on tangible and intangible assets from acquisitions completed have not been allocated to the segments. Costs relating to options and the financial performance of the subsidiary SalMar Japan K.K have also been included in the eliminations column.

<b>Key Figures - SalMar Group</b>				
	4Q 07	4Q 06	FY 2007	FY 2006
Number of shares - end of period (mill.)	103	100	103	100
Earnings per share (NOK)	1,50	1,25	3,45	4,45
Earnings per share - diluted (NOK)	1,50	1,25	3,45	4,45
EBITDA %	19,0 %	39,8 %	27,6 %	38,9 %
EBIT before biomass adjustment %	15,2 %	37,1 %	24,5 %	35,8 %
EBIT %	50,5 %	32,8 %	30,1 %	40,9 %
Earnings before tax %	48,1 %	36,3 %	28,7 %	46,2 %
Cash flow per share - diluted (NOK)	0,54	1,99	2,46	2,45
Net interest bearing debt (mill.)	805,2	764,9	805,2	764,9
Equity ratio %	45,7 %	39,0 %	45,7 %	39,0 %

Earnings per share = Earnings before tax/ average numbers of shares

Earnings per share - diluted = Earnings before tax/ average number of shares - diluted

Earnings before tax % = Earnings before tax/ operating income

Cash flow per share - diluted = Cash flow from operating activities/ average number of shares - diluted

Equity ratio = Equity/ total assets

<b>Reconciliation from NGAAP to IFRS for comparable period</b>		
<b>Equity</b>		
NOK million		4Q 2006
<b>Equity NGAAP</b>		814,9
IFRS impacts earlier periods		74,9
IFRS impacts current period		
Value adjustment biomass		-10,0
Pension liabilities		14,2
Goodwill depreciation		2,4
Associated companies		-9,7
Other net financial items		-0,3
Tax on adjustments		-1,1
<b>Total impacts</b>		70,4
<b>Equity IFRS</b>		885,3
<b>Profit and Loss</b>		
NOK million	4Q 2006	Året 2006
<b>Result N-GAAP</b>	129,2	366,6
Value adjustment biomass	-10,0	72,4
Pension liabilities	14,2	14,2
Goodwill depreciation	2,4	3,0
Associated companies	-9,7	13,1
Other net financial items	-0,3	-
Tax on adjustments	-1,1	-24,2
<b>Total impacts</b>	-4,5	78,5
<b>Result IFRS</b>	124,7	445,1

## Selected disclosure notes

### 1. Accounting principles applied in this report

This report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the standard for interim reporting (IAS 34). The same accounting principles and calculation methods used in the last group annual accounts (2006 IFRS) has been used here. Please refer to the Groups IFRS annual accounts which is published on the Group's website under Investor Relations ([www.salmar.no](http://www.salmar.no)) for a complete description of the accounting principles.

### 2. Main shareholders

Name	Shares	%
KVERVA AS	55 000 000	53,4
JPMORGAN CHASE BANK CLIENTS TREATY ACC.	6 500 000	6,3
VERDIPAPIRFOND ODIN	5 288 050	5,1
PARETO AKSJE NORGE	4 362 000	4,2
VERDIPAPIRFOND ODIN	3 117 050	3,0
LIN AS	2 500 000	2,4
FOLKETRYGDFONDET	2 309 200	2,2
THE PENDRAGON MASTER EUROPEAN SECS	2 027 020	2,0
PARETO AKTIV	1 834 800	1,8
FORTIS BANK LUXEMBOU S/A OPCVM	1 029 305	1,0
CENTRA CAPITAL AS	845 000	0,8
SPAREBANKEN MIDT-NOR	844 200	0,8
STOREBRAND LIVSFORSI P980, AKSJEFONDET	721 100	0,7
VERDIPAPIRFONDET ODI C/O ODIN FORVALTNING	500 000	0,5
AKSJEFONDET ODIN NOR C/O ODIN FORVALTNING	468 400	0,5
CARNEGIE AKSJE NORGE VPF	468 032	0,5
HOLBERG NORGE V/HOLBERG FONDSFORVA	460 000	0,5
HOLBERG NORDEN V/HOLBERG FONDSFORVA	444 300	0,4
DNB NOR SMB VPF	397 280	0,4
CASAM PENDRAGON EVEN LIMITED	395 819	0,4
<b>Total top 20</b>	<b>89 511 556</b>	<b>86,9</b>
Others	13 488 444	13,1
<b>Total</b>	<b>103 000 000</b>	<b>100,0</b>

### 3. Biomass (IAS 41)

Book value of inventory	31.12.2007	31.12.2006
Raw materials	19,7	19,8
Biological assets	905,7	701,0
Finished goods	44,3	33,6
<b>Total</b>	<b>969,7</b>	<b>754,4</b>
Biomass status	31.12.2007	31.12.2006
Historical cost	655,1	544,8
Fair value adjustment	250,7	156,2
<b>Balance sheet value</b>	<b>905,7</b>	<b>701,0</b>

#### 4. Acquisitions

SalMar purchased in January 2007 100% of the shares in Halså Fiskeoppdrett AS, including the wholly-owned subsidiary Straumsnes Settefisk AS, for NOK 112 mill. Halså Fiskeoppdrett AS has two aquaculture licenses and its own slaughtering business. Halså Fiskeoppdrett AS is self-sufficient in smolt through the wholly-owned subsidiary Straumsnes Settefisk AS. The slaughtering business will be closed following the acquisition. The acquisition is financed by long-term loan facility. SalMar purchased on the 5th of October 2007 100% of the shares in Henden Fiskeoppdrett AS og Einar Rangøy AS for NOK 84,5 mill. The companies have one licence each. Purchase analysis is presented below.

##### The effect on the balance sheet of the purchase was:

	Halså Fiskeoppdrett - balance sheet values	Halså Fiskeoppdrett - fair values	Henden Fiskeoppdrett / Einar Rangøy - balance sheet values	Henden Fiskeoppdrett / Einar Rangøy - fair values
Intangible assets	5,3	94,9	-	86,9
Tangible assets	4,3	9,4	3,3	3,3
Financial assets	0,2	0,2	1,4	1,4
Current assets	34,3	34,3	37,9	37,9
Liabilities	-4,6	-26,8	-2,2	-21,7
Interest bearing debt	-1,8	-1,8	-14,0	-14,0
Other short-term debt	-7,3	-7,3	-9,4	-9,4
<b>Net identifiable assets and liabilities</b>	<b>30,3</b>	<b>102,9</b>	<b>17,1</b>	<b>84,5</b>
<b>Goodwill from acquisition</b>		<b>9,2</b>		-

Following the purchase Halså Fiskeoppdrett AS has affected the operating result before value adjustment biomass in a net amount of 5.8 MNOK and the operating income in a amount of 46,3 MNOK. Henden Fiskeoppdrett AS / Einar Rangøy AS has affected operating result before value adjustment biomass in a net amount of -0,2 MNOK and the operating income in a amount of 8,3 MNOK.

SalMar har purchased the remaining shares in SalMar Japan. SalMar Japan is consolidated into the financials 100% from Q3 2007

Senja Sjøfarm AS purchased on the 14th of December 100% of the shares in Arctic Salmon AS for NOK 89,2 mill. Arctic Salmon has 4 licenses. The purchase was financed with long term loan facility. Purchase analysis is presented below.

##### The effect on the balance sheet of the purchase was:

	Arctic Salmon AS - balance sheet values	Arctic Salmon AS - fair values
Intangible assets	16,0	118,8
Tangible assets	9,5	9,5
Financial assets	-	-
Current assets	57,4	57,4
Liabilities	-	-27,7
Interest bearing debt	-49,4	-49,4
Other short-term debt	-19,5	-19,5
<b>Net identifiable assets and liabilities</b>	<b>14,1</b>	<b>89,2</b>
<b>Goodwill from acquisition</b>		-

Arctic Salmon AS is consolidated effective from 31.12.2007.