ANNUAL REPORT 2008

Grieg Seafood

Grieg Seafood is one of the world's leading salmon and trout farming companies with operations in Norway, the Shetlands (UK) and British Columbia, Canada. Based on the sustainable use of natural resources, our aim is to produce high quality seafood for discerning customers and to generate value for our shareholders.

CONTENTS PAGE

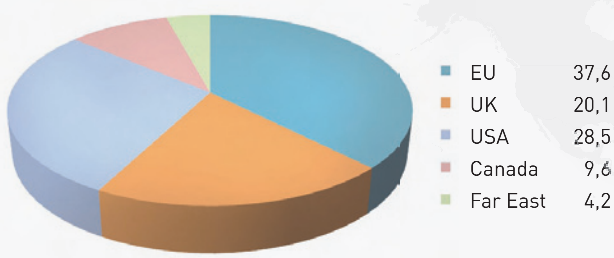
Integrated company
Grieg Seafood is involved in the whole value chain for the production of salmon and trout, from brood stock to value added products. All the "on site" photos in our annual report reflects the activities related to the production of these healthy and tasteful products.

Grieg Seafood – key figures

Grieg Seafood Group	2008	2007P[1]	2006P[1]
Harvest volume GWT	51 731	40 461	33 300
Turnover MNOK	1 487	1 068	1 102
EBIT [2] MNOK	(173)	121	309
EBIT/kg GWE	(3,34)	2,99	9,28
Earnings per share	(-4,50)	0,80	N/A
Roace [3]	-9 %	4 %	N/A
No of employees	485	396	336

[1] P=proforma
[2] EBIT before fair value adjustment of biological assets
[3] ROACE = Return on average capital employd

Sales per market in % 2008



2008 TNOK	Sales revenue 2008	Sales revenue 2007	EBITDA [1] 2008	EBITDA [1] 2007	EBIT [1] 2008	EBIT [1] 2007	Harvest in tonnes GWE [2] 2008	Harvest in tonnes GWE [2] 2007	Operational EBIT/kg GWE[2] 2008	Operational EBIT/kg GWE[2] 2007
Rogaland	172 718	301 001	12 364	48 117	-15 972	27 814	6 733	11 591	-2,37	2,40
Finnmark	427 251	193 373	30 738	11 240	11 708	-3 815	14 834	7 640	0,79	-0,50
British Columbia	524 554	272 286	92 695	64 318	55 877	38 171	16 326	8 503	3,42	4,49
Shetland [3]	420 662	417 301	8 471	74 922	-16 474	55 418	13 838	12 727	-1,19	4,35

[1]) Before write down of assets and fair value adjustments of biological assets
[2]) GWE = Head on gutted weight
[3]) Grieg Seafood Haltland 2007 is proforma

Highlights

- Turnover increased by 39% to 1,488 MNOK.
- Harvest volumes increased from 40,500 tonnes to 51,700 tonnes gutted weight (gwe).
- EBIT before IFRS adjustment of biomass value at -173 MNOK, with a strong negative influence from write-downs and one-off items.
- Financing of the company's business plan for 2009/10 secured with additional 236 MNOK.
- Acquisition of 10 licenses in the Shetlands (UK) and a new license awarded in Canada with a yearly production capacity of about 8,000 tonnes round weight.
- The disease situation in Rogaland improved during the year, even though financial results were strongly affected by earlier disease outbreaks (2007 and 1st half of 2008).
- The new value adding processing facility in the Shetlands started operations. Smoked products are well received in the market.

The next phase

Grieg Seafood was listed on the Oslo Stock Exchange in July 2007. A number of mergers and acquisitions shaped the new Grieg Seafood with a significant organic growth potential. Throughout 2008, the expansion has continued at a high pace, with significant increased smolt entries and expansion of production at all levels.

At the same time, we realize that the financial targets of the company have not been met. Our performance has furthermore been hampered by both disease to our fish stock, biological challenges, as well as by the 2008 financial turmoil that caused the company to suffer a significant temporary currency loss.

Consequently, Grieg Seafood had to secure additional financing for our already implemented growth plans for the years 2009/2010. We are satisfied that our shareholders and bank syndicate have shown us their confidence by establishing a financial package worth a total of 236 MNOK.

I had the privilege of joining Grieg Seafood from August 2008, at a time when it was entering a new phase of its development. Many of the measures to secure the expansion are, by now, already completed. The next phase will be to turn the top line growth into profitability and create shareholder value.

Moving forward, our priorities will be less on rapid growth and more on achieving improved margins, through improved operational performance. Our priorities are clear. We will improve our operational and biological performance by working more systematically on improvements and transferring knowledge and skills between our different operations. To achieve this we also need to continue integrating our group, which was, in fact, until just recently, a number of independent businesses. To achieve this, we will work on implementing a common culture, supported by common systems and structures. Only then will we be able to leverage the strength of the Grieg Seafood Group.

Grieg Seafood has great potential and a good basis upon which to reach its performance goals. Still we have untapped organic growth potential which, combined with improved margins, is the best basis for building shareholder value. We have most of the building period behind us and can now focus on achieving this potential.

Our geographically diversified operational structure with production regions in Canada, UK, Southern Norway and Northern Norway, is also a stronghold. It gives us good geographical positioning for serving different markets, such as Continental Europe, the UK, Russia, Asia and the USA. In this, we are also well positioned for taking part in global market opportunities where and when they arise. Additionally, it provides us with a natural diversification of risks, both marketwise and biologically.

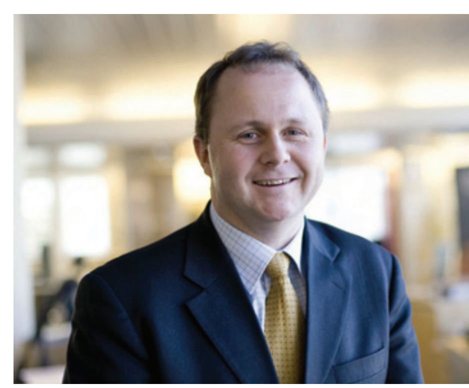
We regard it as a high priority to be close to the market and our customers, thereby strengthening our market orientation.

We have faced some challenges at Grieg Seafood and our performance has been unsatisfactory. However, I am confident that, strategically and structurally, our company is well positioned to improve its performance significantly. This also offers solid potential for increased shareholder value.

Finally, I know that we have an organisation that is committed to realising this potential.

Yours sincerely,

Morten Vike
CEO



This is Grieg Seafood

Grieg Seafood is a Norwegian seafood company with operations within salmon and trout farming, processing and sales and marketing of salmon products. The Group has operations in Norway, Canada and the UK with a total production capacity of more than 80,000 tonnes gutted weight (gwe).

BUSINESS ACTIVITIES
The Grieg Seafood Group is a vertically integrated production company of salmon and trout.
The value chain is illustrated in the figure below:

The Group has operations in four regions: Rogaland and Finnmark in Norway, the Shetlands in the UK and British Colombia in Canada. Above is an overview of the business activities of the Group.

BROOD STOCK AND FERTILE EGGS
In both Norway and Canada, Grieg Seafood is involved in developing the best strain of salmon. The work done at SalmoBreed and Erfjord Stamfisk is of high importance to the growth efficiencies of the fish. Both speed of growth, feed conversion, resistance to diseases, colour and other attributes, are enhanced through the family based breeding programmes (400 families). In Norway, Erfjord Stamfisk works actively to reinforce this position as one of Grieg Seafood's added strengths. In Canada, Grieg Seafood has its own brood stock facilities. The company is experiencing increased quality and survival rates and is continuously working towards further improvements in its brood stock programme.

FRESHWATER
Grieg Seafood sources smolt partly from its own freshwater facilities and partly from external suppliers. Our strategy is to become self-sufficient of smolt in all regions. The production plan for the coming years is secured by long term smolt contracts and development plans for our own hatcheries. In 2008 our total smolt input for the group was approx. 20 million.

SEAWATER
Grieg Seafood's main product is freshly gutted Atlantic salmon. The four regions are fairly similar in size but have specific production and environmental characteristics. These characteristics will be developed to enhance marketability and to spread production risks caused by environmental factors.

Grieg Seafood ASA

	Grieg Seafood Rogaland	Grieg Seafood Finnmark	Grieg Seafood BC	Grieg Seafood Hjaltland	
Licences	15+1 farming	23+1 farming	21 farming	45 farming	104+2 farming
Harvest ´08	6.7000 tonnes gwe	14.800 tonnes gwe	16.300 tonnes gwe	13.900 tonnes gwe	51.700 tonnes gwe
Growth Potential	**+150%**	**+89%**	**+23%**	**+44%**	**+62%**
Capacity	16.000 tonnes gwe	28.000 tonnes gwe	20.000 tonnes gwe	20.000 tonnes gwe	84.000 tonnes gwe

ATLANTIC SALMON ACCOUNTS FOR 80-90% OF TOTAL PRODUCTION.
The production of Rainbow Trout in Finnmark will supplement the production and customer requirements. The Rainbow Trout that is produced near North Cape is of the finest quality and is a highly sought after product both in Japan and Russia. In Canada, Grieg Seafood also produces Coho and Chinook, both Pacific Salmon species.

HARVESTING

The growth cycle of the salmon is about 2-3 years from when the egg hatches until a 5 kg fish is harvested. An efficient harvesting process is crucial to the quality of the end product. Grieg Seafood places very high focus on fish welfare, harvesting methods that ensure fish welfare, quality control and processes to extend shelf life. The modern harvesting plants in Grieg Seafood are approved by customers and are also in accordance with veterinary authorities to the very highest standards. Harvesting and packing is undertaken according to the latest hygiene and animal welfare criteria. Grieg Seafood was the first harvesting plant in Norway that successfully used electric stunning and automated bleeding to reduce stress in fish and thereby improve quality and shelf life.

PROCESSING

At Grieg Seafood Shetland, a modern processing plant delivers about 4,000 tonnes annually of pre-rigor fillets of different specifications to customers. The pre-rigor production adds extended shelf life and increased versatility for added processing. The plant has been very profitable over a number of years. The extension of the plant in 2008 added new facilities for smoking and value added products in consumer packs. This commenced operations from December 2008.

SALES AND MARKETING

Sales and marketing tasks are presently the responsibility of each country and region. The company is developing a sales and marketing capability in parallel with its production growth. Premium prices partly obtained in all regions will be further improved by a selective niche market strategy. The development of the Blue Silver brand has priority for our fish grown in extreme arctic conditions in Finnmark. Our Shetland salmon is developed under the WildWaters brand where both our organic production and conventional salmon quality are sold to customers in the UK, the US and Continental Europe - to a large extent on fixed contracts. Grieg Seafood's Canadian salmon in the US market is well established at high-end restaurants, hotels and seafood outlets under the label 'Royal Canadian'. We have a particular strength in providing large sized fish to the sushi and sashimi market.

GRIEG SEAFOOD **BC, CANADA**

Close to huge markets

With more than 25,000 km of fjords and coastline, the western part of Canada has perfect conditions for growing the highest quality Atlantic and Pacific salmon. Grieg Seafood's operations in British Columbia, Canada's westernmost province, supply the Canadian, Asian, and much larger neighbouring US market with superb fresh salmon. This is achieved through sustainable production, focused not only on environmental responsibility but also on a strong commitment to people and communities.

BUSINESS DEVELOPMENT

Grieg Seafood began operations in Canada in 2000 at Esperanza Inlet on the west coast of Vancouver Island, British Columbia. The company's activities have expanded over the years to include farm sites located in: Nootka Sound, on the west coast of Vancouver Island, the East Coast of Vancouver Island and in Sechelt, north of Vancouver. From 2006 to 2008, Grieg Seafood BC more than doubled the number of aquaculture licenses in its portfolio. By 2008 Grieg Seafood BC Ltd held a total of 21 licenses in three areas. Our production capacity in British Columbia is about 20,000 tonnes (gwe).

British Columbia has a very stringent regulatory and approval framework. Further development is very much dependent on government approvals and the respective First Nation support. Grieg Seafood has developed a strong positive relationship with both. With some 108 people involved in production and support, Grieg Seafood BC is a major employer in small coastal communities.

During 2008, Grieg Seafood BC encountered naturally occurring environmental challenges including plankton blooms and low dissolved oxygen levels at some sea water sites. Plankton mitigation equipment has given positive results and a new oxygenation system under development will reduce the negative impact of low dissolved oxygen levels. As part of its general practice, Grieg Seafood BC has implemented effective control systems in fish health including routine monitoring, vaccination programmes and the expert supervision of a full time veterinarian.

COMPARATIVE ADVANTAGES

The water temperatures at Grieg Seafood's sea sites are ideal for growing Atlantic and Pacific salmon. Our close proximity to the US, Canadian, and Asian markets allows us to directly supply these markets and ensures that there is no compromise in delivering the freshest fish to our customers. Grieg Seafood Canada provides full product traceability to ensure fresh healthy salmon reaches the market, with sound documentation of every stage of production.

INTEGRATED COMPANY

Our production is fully integrated. Our own brood stock is stripped for eggs, which in turn are grown into smolts at our freshwater hatchery and then put to sea to be reared for market. At our hatchery, Grieg Seafood has installed a state of the art re-circulation system. This system is optimising our production, increasing average smolt size and decreasing production time. Through the use of two dedicated harvest vessels, market fish are delivered directly to one of two processing plants and from there to market within a maximum of 72 hours. Grieg Seafood BC is able to provide fresh fish throughout the year to customers.




Rapid production, tailor-made

GRIEG SEAFOOD **HJALTLAND, SCOTLAND (SHETLAND)**

Shetland – the most northerly of the Scottish Islands, with clean, fresh and nutrient-rich seas in which wild fish choose to congregate, is naturally suited for rearing salmon in its natural cycle. Grieg Seafood Hjaltland farms salmon close to the Shetland coastline. The sites are exposed to the point where the strong tidal currents of the North Sea and the North Atlantic Ocean meets, creating a powerful exchange of currents that provides fast-flowing, clear water and a seabed that is constantly cleansed.

BUSINESS INTEGRATION

The company consists of three separate functions that operate as a vertically integrated unit. By integrating farming, processing and sales and marketing, the company has achieved a competitive edge.

The Company is currently involved in the following primary business activities:

- Sustainable farming of Atlantic salmon and organic Atlantic salmon on 45 licensed consents.
- Harvesting, primary, secondary and value added processing.
- Sales and Marketing of premium salmon products to customers in Europe, North America, Africa and the Far East.

BIO-SECURITY
The farm sites are located in five clusters which are geographically separated from each other. This provides a significant advantage from a bio-security point of view. Thus, the company's expansion strategy through acquisition is focused on sites that could be incorporated into the already existing clusters (infrastructure) as well as increasing production through additional growing consents on existing sites.

SMOLTS
The company has secured the supply of smolts in the coming years, through long term smolt supply contracts, on favourable terms, with a number of high quality smolt producers.

PROCESSING
The processing plant in Lerwick was subject to considerable enlargement in 2008. This has allowed increased quantities to be processed at the processing plant's state of the art production facilities. It will also allow the production of semi-finished and finished products (value added products) i.e. smoked salmon, graved salmon and hot smoked salmon. This offers the company a more diversified income structure and a sharper competitive edge.

All primary and secondary products, e.g. fresh salmon fillets, are processed and dispatched to customers on the same day the fish was harvested. Grieg Seafood Hjaltland's processing plant is the only one within the European Union which is able to commence the value added processing of a variety of smoked and marinated salmon products on the day of harvest. This provides the company with a significant advantage in terms of freshness and product quality.

QUALITY MEASURES
The company complies with strict quality control and safety standards. Last year, the company achieved accreditation from Naturland and the Organic Food Federation and also produced the first Grieg Seafood organic salmon – now being supplied to both new and well established international customer bases. Additionally, the company has achieved quality assurance accreditation from the Label Rouge, Shetland Seafood Quality Control, British Retail Consortium, GlobalGap and Freedom Foods. (Read more about quality value adding production at page 16.)

SALES & MARKETING
Through Shetland Products the Grieg Seafood Hjaltland offers its customers tailored products as well as specified growing schemes at dedicated (selected) sea sites. The company's brand as well as the comprehensive product and service portfolio has an excellent reputation within the market. Grieg Seafood Hjaltland is able to trace the product through the entire farm rearing, processing and delivery stages.

The company's production will increase over the next two to three years to between 20,000 and 25,000 tonnes. By being market led, customer focused and service orientated, Grieg Seafood Hjaltland is well positioned to produce high quality organic and superior Scottish salmon to the satisfaction of its customers.

GRIEG SEAFOOD **ROGALAND, NORWAY**

Salmon from seafood lovers

Rogaland, located on the South-West coast of Norway, is said to be the Norwegian county of gastronomy. One positive side effect for the large international community in Rogaland is that an interest in seafood has been at the forefront in Norway. This has created a positive environment for Grieg Seafood Rogaland in producing salmon that matches the demand for high quality seafood.

Grieg Seafood Rogaland has twelve locations:
two freshwater sites, nine sea sites and one harvesting plant.

THE EFFECT OF THE GULF STREAM

Norway has the natural advantage of clean coastal waters. Thanks to the Gulf Stream, the waters in the southern part of Norway have high average temperature and the coastline, with its thousands of small and large islands, provides shelter and protection to the fish farms. With state-of-the-art communication systems, larger barges and cages, Grieg Seafood Rogaland has developed a production system that is even able to manage very rough waters. The benefit of stronger currents providing more oxygen to the fish and a cleaner sea floor are further advantages of these sites. A few years ago, the depth of the cage nets was commonly 15-20 metres. Now, the average depth of the cage nets is 40 metres, providing the salmon with more space and enabling the fish to choose the temperature and oxygen levels it requires at different depths.

PIONEER HISTORY

The first steps of Grieg Seafood's operations in Rogaland were taken in 1986 when the company started acquiring small family-owned fish farms. Some of the farms and employees had experience dating back to the early 1970s. The sea farming industry in Rogaland has been through comprehensive consolidation in which Grieg Seafood has been active. Today the company has a total of 65 employees.

INTEGRATED COMPANY

Farming salmon follows the stages of a natural life cycle: brood stock, smolt, on-growing in seawater and harvesting. Grieg Seafood, Rogaland has control of every stage.
The freshwater operation takes place on two sites located on the Bokn Island in Rogaland. Both sites have an indoor operation for the eggs and fry and an outdoor operation for juvenile fish. The smolt departments produce robust juvenile salmon able to thrive and grow at the sea sites. This involves proper nourishment and ensuring that the fish live in a healthy farming environment. Before any fish are moved into sea water, they are vaccinated against six different diseases.

SHORT LIFE AT SEA

Grieg Seafood Rogaland has seawater operations in sevral locations. The salmon are kept in floating net cages, securely anchored to the sea bed. The barges that are anchored by the cages contain feed storage, automatic feeding systems, workshops and facilities for the workers. After a year and a half the salmon reaches an average weight of 4 to 6 kg. The fish are then carefully transported by well boat to the harvesting plant.

PD (pancreas disease) created problems at many Grieg Seafood Rogaland sites last year – as it did for most of the salmon farmers in south western Norway. An expanded vaccination programme has been launched and has had very promising results.

Grieg Seafood Rogaland harvested and delivered some 6,800 tonnes of gutted salmon in 2008. This is expected to more than double in 2009.

GLOBAL GAP

The operations in Rogaland are certified in accordance with the demanding Global Gap scheme. (www.globalgap.org). This is a voluntary certification agreement originally developed for agricultural production, but has recently been transformed to the relevant parameters for the marine farming industry. Global Gap is a standard that is expected to gain a strong foothold among retail customers in Europe, becoming a common customer requirement.




GRIEG SEAFOOD **FINNMARK, NORWAY**

Unfortunate advantages

How does ice-cold water from the Norwegian Sea affect the salmon? It makes them grow slowly resulting in a premium quality, in a unique environment. This is Grieg Seafood Finnmark: The most northern fish farming cluster in the world.

In the midst of wild and majestic scenery with steep mountains and icy fjords as far north as you can go in Europe, the conditions are ideal for growing healthy fish of exceptional quality.

IN BRIEF

The history of Grieg Seafood Finnmark goes back to the late 1970s when the Volden family, one of the pioneers in the Norwegian aquaculture industries, started to produce salmon and trout. In 2006 the Volden Group merged with Grieg Seafood and was renamed Grieg Seafood Finnmark. Grieg Seafood Finnmark has undergone significant growth in recent years. It now encompasses a smolt hatchery and 24 licensed sites at four clusters in different regions of Western Finnmark. The distance between the production clusters forms a natural barrier to the transfer of disease and therefore represents a lower overall biological risk in Finnmark. In 2008/2009 Grieg Seafood Finnmark's processing plant was upgraded to satisfy today's customer requirements. Grieg Seafood Finnmark employs 140 people and has a production capacity of 28,000 tonnes gwe, while the harvested volume in 2009 is expected to be 18,000 tonnes gwe.

THE PRODUCTION OF SMOLT

The smolt hatchery of Grieg Seafood Finnmark located at Lebesby, Landesfjorden has a production capacity of 4-5 million salmon smolts. The smolt production plant has benefited from large investment in recent years, the aim being to become fully self-sufficient with smolt. One of the important strategic advantages of the hatchery is its location with access to large amounts of fresh water.

A hatchery, such as the one at Lebesby, consumes the same amount of water as a city with 120,000 inhabitants. To reduce water consumption the hatchery has invested in a large recycling facility built with the latest technology available.

This also saves a large amount of energy. The new system increases both the production capacity as well as improving the smolt size and quality.

INCREASED CAPACITY

The Finnmark operation has made substantial investments in new farming sites, doubling the production capacity to a total of 28,000 tonnes (gwe) when all licenses are fully utilized. The salmon and trout are kept in floating cages, securely anchored to the sea bed. The barges that are anchored by the cages contain feed storage, automatic feeding systems, supervision of the farm, workshops and facilities for the workers. The main task for the employees at the sea sites is to feed and take good care of the fish. Daily routines involve monitoring the environmental parameters of the fish, oxygen, temperature, salinity, colour, texture, exterior and visibility, together with ongoing maintenance of all equipment.

MORE FISH TO BE HARVESTED

Grieg Seafood's harvesting plant in Alta was fully modernized in 2008/2009, with investment in larger cooling facilities, a modern stunning and bleeding system and an automatic grader system.

INTERNATIONAL SALES AND MARKETING

The Norwegian sales and marketing department located in Alta is responsible for sales and logistics for the entire production of Grieg Seafood in Norway. The sales organisation consists of seven people who are dedicated to meet the needs of our excellent quality salmon, from customers around the world. (Turn to page 18 for more about Sales and Marketing).


150

Superior salmon products from Shetland

Grieg Seafood Hjaltland offers value added luxury products, ready for delivery on the day of harvest to customers in the EU. This puts Grieg Seafood Hjaltland in the forefront in terms of value adding efficiency.

Certain customers also prefer to decide where they want to source their salmon - specifying the exact fish farming plant. This adds exclusivity to the end product when it comes for sale in exclusive restaurants and shops.

Managing Director of Grieg Seafood Hjaltland, Michael Stark, accompanies his customers on visit to various sites, such as the Setter Ness Area, north-west of the Shetlands, where the company has a group of fish farming sites. Together they can monitor the salmon at the sites, and take a better decision in accordance with the customers desires.

PERFECT CONDITIONS

All Grieg Seafood's fish farming sites are inspected several times a day. During visits, the computerised feeding system is checked and the feed is loadedfrom large plastic bags into the feed hopper which then distributes the feed into the cages for the fish. Inspectionsalso include a tour of the site, to ensure that everything is in order and that the fish are thriving.

The sites are located in sea areas that have perfect conditions for salmon farming. Sustainable production and good fish health are essential prerequisites for the activities of Grieg Seafood.

Grieg Seafood Hjaltland has grow-out sites at five different clusters. At the outermost site, almost in the North Sea, we find 'South of Linga & Fish Holm' which is an extreme location in terms of weather and wind. The sea in this area can, at times, be very, very rough. However, the automatic feeding system caters for the nutritional requirements of the salmon at all times.

HIGH QUALITY

After approx. 16-18 months in the cages at 'South of Linga & Fish Holm', the salmon ordered by the customer is ready for harvesting. The well boat 'Gerda Saele' manoeuvers safely through high seas and strong winds to the site and

the salmon are carefully transported from the cages to the boat. Some hours later, the well boat pulls alongside the quay at Grieg Seafood's harvesting and processing plant. The salmon are then carefully taken directly from the boat into the harvesting plant.

The company's plant in Lerwick is a high-technology facility with the highest standards of quality. The facility was awarded the European gold standard for quality, Superior Quality Shetland Salmon Scheme, from Shetland Seafood Quality Control. The facility has also received other quality accreditations including the Label Rouge, the Soil Association and Freedom Foods and organic standards from Naturland & Organic Food Federation.

FROM HARVESTING TO FINISHED PRODUCT
The harvesting is located at one end of the Lerwick plant. After harvesting, the salmon is transported directly to the next part of the plant for processing. Whole, gutted salmon is packed into boxes marked with the customer's name and address in just one hour. The marinated and smoked salmon takes a few more hours. However, the entire order is prepared and ready on the day of harvest. At the opposite end of the harvesting plant, trailer trucks are ready to load the boxes with whole and processed salmon to be transported to the customer. On time.

TIME AFTER TIME ...
Grieg Seafood Hjaltland has the capacity to process 20,000 to 30,000 tonnes of gutted salmon every year and approx. 3,000 tonnes of salmon fillet. The fish smoking plant commenced production in the fourth quarter of 2008 and, since then, has witnessed an ever-increasing demand.

With full control of the entire production line, from salmon egg to finished product, Grieg Seafood Hjaltland can confidently assume full responsibility for deliveries to the customer. All customers are ensured a top quality product as a result of Grieg Seafood's stringent quality controls and high standards of security. The greatest proof of our success are the satisfied customers who come back time after time.

New value added processing plant:
Grieg Seafood Hjaltland's new 43 MNOK value added processing plant was official opened April 22nd 2009 by Tavish Scott (to the right), MSP and Leader of the Scottish Liberal Party. From left Morten Vike and Michael Stark, Grieg Seafood Group.

From the top of the world to food lovers in Tokyo, Beijing, Moscow and selected markets in Europe

Sales department: (from left) Lasse Sørnes, Lan Luo, Robin Strand and Nina Ellingsen. (Sofia Akhmadullina was not present when the photo was taken).

Within two days, Grieg Seafood can be in the markets of central Europe and the UK with fresh salmon from Rogaland. Within three days, fresh salmon and trout from Finnmark can be in the markets of Russia, Japan and China. The Norwegian sales team is a strategic intermediary between the production process and the market.

About 80% of the nearly 35,000 tonnes of salmon and trout that Grieg Seafood produces in Norway are exported fresh to some of the most demanding markets in the world. Great demand is placed on fresh salmon which is used in traditional Japanese dishes like sushi and sashimi. In addition to requirements regarding the correct colour and consistency of the meat, the requirement for minimal shipping time is of great significance.

These are requirements that Grieg Seafood meets by maintaining the highest level of control at all stages. The last stage – transportation to the market – is critical. Therefore, production is set up with a view to making transportation as efficient as possible. A trailer truck that left the packing plant in Rogaland before midday will arrive in Boulogne sur Mer two days later. A consignment of trout from Finnmark can be in Japan three days later. In this way, fresh salmon and trout from Grieg Seafood in Norway has become a luxury item for several hundred million consumers throughout the world.

It is the sales department at Grieg Seafood that manages the logistical work in close cooperation with the company's two processing plants in Rogaland and Finnmark. The six co-workers in the sales department are the most important link between the fish cages and the fish counter. Grieg Seafood has made the strategic resolution to develop its own sales and marketing department in order to create close contact between the customer and the production process.

The two processing plants play an important role in ensuring the quality control of premium trout and salmon. Production in Rogaland is certified according to the strict requirements of Global Gap (http://www.globalgap.org). On this basis, the processing plant in Rogaland is also certified for sale to Europe's largest and most demanding supermarket chains. The production of salmon and trout from the area around The North Cape is sold under the brand name Blue Silver.

Blue Silver™

The premium quality Blue Silver salmon and trout originates from the Lapponia region in the immediate vicinity of the North Cape – as far north as you can travel in Europe, where it is farmed in ice-cold waters under extreme weather conditions.
The Blue Silver label denotes a high quality product of Atlantic salmon and Rainbow trout, supplied to specialist retailers, smokers and fish markets.
The Blue Silver premium salmon and trout have a strong similarity in appearance and structure to the wild Atlantic salmon of the world famous salmon rivers of the Arctic Lapponia region:

- Optimal fat content
- Appetizing red flesh colour
- Silver coloured skin

In our extreme arctic environment, skilled professionals with more than 30 years' experience ensure the highest standards and procedures in the production of our Blue Silver products. Blue Silver undergo screening of our toughest standards of quality control with respect to colour, texture, fat content and exterior.

Blue Silver salmon and trout is a limited production, raised under our special Blue Silver product regime. This involves lower stocking densities; Blue Silver natural feed recipe and full traceability of the Blue Silver breed, which is raised at our production facilities from the ova to the end product.

Blue Silver: It looks good and it tastes wonderful, in dishes like sushi and sashimi, or in millions of delicious dinners throughout Europe, Japan, China and Russia.

Business Objectives and Strategy

VISION AND MISSION

Grieg Seafood is one of the world's leading salmon and trout farming companies with operations in Norway, the Shetlands UK and British Columbia, Canada. Based on the sustainable use of natural resources, we aim to produce high quality seafood for discerning customers and to generate value for our shareholders.

STRATEGY

Our main product is fresh salmon, sold as whole fish or processed. Our core expertise will be on the farming of fish and the processes linked to the harvesting, primary and secondary processing, and packing of fresh fish. Grieg Seafood will be in command of the whole production chain from brood stock and fertile eggs, to freshwater and seawater farming into a marketable sized salmon and salmon trout.

As the restructuring of the industry continues, sales and brand-building will become more important for market differentiation among the various industry players. Grieg Seafood has decided to develop its own sales and marketing teams in Norway and in the UK. In Canada sales and marketing is the responsibility of a competent strategic partner.

The consolidation of the industry, particularly in Europe and North America, may offer value-creating restructuring opportunities in which Grieg Seafood would be a natural part.

PROFITABLE GROWTH

As Grieg Seafood now enters a new phase, focus on profitability and increasing margins will be the main priority for the company. This means reducing production costs through systematic focus on improvement of operational efficiency and, not least, ensuring good husbandry and fish health.

We are also aiming for quality conscious and high end market segments and further development of our direct sales to increase sales prices and margins.

SUSTAINABLE USE OF NATURE AND HIGH ETHICAL STANDARDS

Grieg Seafood is committed to sustainable use of natural resources and to develop an organization with high ethical standards.

As a fish farmer, we always focus on important topics like fish welfare, proactive and reactive measures against disease, prevention of local pollution and fish escapes. This is a necessity from both an environmental point of view and also as a requirement for a profitable business. Good management and skilled people working in modern, high standard fish farms will ensure the highest quality in all parts of the operation.

In using scarce natural resources, such as clean water and feed based on raw materials from wild fish, we have a particular responsibility, beyond that of protecting our own property and stocks. The production of farmed salmon involves an efficient production of animal protein, requiring the least consumption of other animal proteins for one kilo of salmon meat. New research shows further possibilities in reducing the amount of fish meal and fish oil in fish feed, thereby reducing the dependency on wild fish catch for the production of farmed salmon.

Grieg Seafood's sites are situated at locations with good water currents. The density of fish in the pen is max. 2% of the total water volume and the depth of the nets allows the fish to seek areas in the pen with optimal temperature and oxygen levels. All operations are carried out in a way that minimizes the amount of stress caused to the fish.

The fish are protected from attacks by wild predators. Fish health and the economics of fish farming are closely linked. Grieg Seafood has a Fish Health Plan that involves all relevant operations in the production chain and ensures that the fish are systematically checked by veterinaries. The local environment is regularly monitored to assess the impact of fish production on the sea bed beneath our sites. Sites are also regularly fallowed between generations of fish to ensure good local conditions.

Grieg Seafood has focused on ensuring that the fish farms are in good condition and fully certified. Furthermore, the company has implemented routines to ensure that the fish do not escape from the cages.

BEING A PREFERRED SUPPLIER TO SELECTED CUSTOMERS

The modern consumer demands a sustainable production of food along with the highest food safety standards. Grieg Seafood will focus on good taste, reliable supplies, consistent quality, safe and healthy food, traceability and a general service level that creates customer loyalty.

The acquisition of Hjaltland has extended Grieg Seafood's services to also include value added products. By targeting the quality conscious customers, improved and more stable margins can be expected.

The North American market for high quality seafood, particularly high end restaurants, has, over the years, returned better margins and stable customer relations. The company will further develop the leading position it enjoys in this specific niche. The group will continue developing its brands: Blue Silver for its arctic salmon and trout, Wild Waters from the Shetlands and Royal Canadian from Canada, to reflect its focus on achieving improved profitability in order to become a preferred supplier to selected customers.

Sustainability and business ethical standards

Ethical awareness is mandatory in all our business areas and processes. Our four major ethical considerations are:

- Sustainability and care for life in the sea.
- Safety for our employees.
- High quality in all steps of the value chain.
- Full transparency regarding product and production process.

SUSTAINABILITY
As fish farmers we are concerned about the environmental implications of our business. We continuously focus on issues such as fish welfare, both proactive and reactive actions against disease, preventing local pollution and avoiding fish escapes. To create optimal fish welfare we have a very low density of fish in the pen (less than 2% of the water volume) and the depth of the nets allows the fish to seek areas in the pen with optimal temperature and oxygen levels.

The local environment is monitored regularly in order to control the impact from our activities. Our production sites are certified in accordance to NYTEK and NS 9415 in Norway. In addition we support community work to secure the future of wild salmon stocks, e.g. in British Columbia, BC.

SAFETY
Producing salmon is hard work. Modern equipment and installations are vital to reduce the burden related to manual work. Nevertheless, we are totally dependent upon skilled and motivated employees who can perform their jobs safely, even in challenging conditions. Safety is dealt with at both the board and management level, by nurturing a sound safety culture in the regional companies and by continuously focusing on Health, Safety and Environment (HSE) at the sites where practical work is undertaken. Through our quality management systems, we have integrated safety into operational manuals and standards in accordance with company and governmental HSE standards.

QUALITY
As a producer of high quality seafood we are obliged to adhere to a policy of 'no tolerance of production failures'. Therefore, we also have the highest requirements for all of our suppliers, especially feed suppliers and suppliers of production equipment. Good fish health is vital and, in accordance with our Fish Health Plan, the fish are systematically checked by veterinaries.

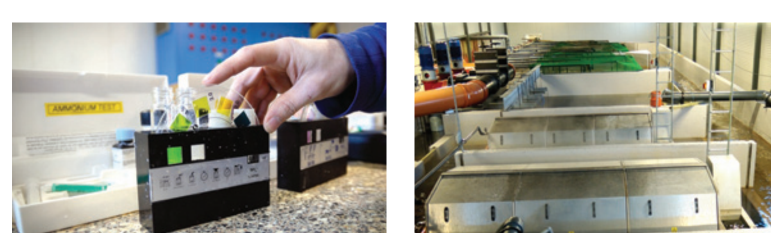
TRACEABILITY
The market requires traceability of every fish sold on the market. To meet this requirement, Grieg Seafood has implemented a data based system that tracks all relevant information through the life cycle of every fish. This means information such as heritage and breed, smoltification, vaccination, feeding, transportation and harvesting, and subsequent procedures. This information is available on request within hours.

ETHICAL RULES
Grieg Seafood, together with all its employees, share a common ambition to be recognized for its high ethical standards. This means that each and every one of our employees should act in a manner that inspires trust, should be honest and truthful and should comply with the norms, rules and laws that govern society.

Grieg Seafood has drawn up detailed guidelines for all employees, covering subjects such as their relationship to managers, colleagues, customers, suppliers and public authorities. Also, how to act when offered gifts or other perceived benefits from business a relationship.

These guidelines also include articles about impartiality, exchange of information, trading in shares issued by Grieg, paid participation in business activities and operations – including social involvement and marketing activities. All of our employees must familiarize themselves and comply with ethical rules. Serious violation of these guidelines may have consequences upon employment.

For more in depth information about our ethical rules, please visit: www.griegseafood.no/ethics



Ethics and sustainability:
Regularly water testing and recycling of fresh water are of vital importance for producing high quality salmon with lowest possible impact on natural resources.

Shareholder Information

SHAREHOLDER POLICY
Grieg Seafood's ambition is to deliver a high and stable return to its shareholders. A high return on shareholder capital means the sum of the share price development and dividends paid. This return should reflect the financial performance of the company. It is Grieg Seafood's policy to keep the market informed with correct information, provided on time, to ensure a fair valuation of the share price. Existing shareholders will normally be given priority if new shares are issued. The financial target of the company is to maintain an equity share of at least 30%.

DIVIDEND POLICY
Grieg Seafood has an objective to pay an annual dividend to its shareholders. The dividend should normally be in the range of 25-30% of the profit after tax. The final decision will, in addition to the annual profit, be considered based on the company's financial situation.

The annual dividend payment will be based on a balanced view between the shareholders wish to receive a direct return and the company's financial requirements to retain earnings in order to finance development and growth and secure required solidity. The board of director's proposal to the general assembly is not to pay a dividend to the shareholders for the year 2008. The low after-tax profit combined with the sharp drop in the share price from the stock listing in June until the year end, did not provide a basis to pay a dividend for this year. In addition, the planned organic growth will require a sustained period, possibly until 2011, with moderate or no dividend payments.

INVESTOR POLICY
Grieg Seafood aims to provide investors, the capital market and other interested parties with timely and relevant information in order to enable a correct valuation of the company - and a reduced risk for investors.

Company information will be provided to the Stock Exchange and by public presentations each quarter according to the published company financial calendar. Invitations to participate in company presentations will be issued prior to the event through the Stock Exchange information system. In addition, the company web page: www.griegseafood.no will be kept up to date with public information about the company, mandatory information and general investor presentations.

SHAREHOLDERS
As at 31.12.08, the company had 785 (813) shareholders of which 722 (744) were based in Norway and 63 (69) were international investors. See note 25 in the Financial Statement.

ANALYST COVERAGE
There are many leading analysts that follow the Grieg Seafood stock. In alphabetical order we will mention Carnegie, DnB Nor Markets, First Securities, Goldman Sachs International (London), Handelsbanken Capital Markets, Pareto Securities, and RS Platou.

Corporate governance

1 INTRODUCTION

1.1 BACKGROUND

GRIEG SEAFOOD ASA ("GRIEG" or "The Company"), is the parent company of a group where companies within this group has as its purpose the production and trading on seafood and other activities that are naturally compatible with this purpose (group). The Company is established and registered in Norway and must comply with Norwegian law, that which is all matters pertaining to company (law and) securities laws and regulations. The Company has undertaken to comply with all relevant laws and regulations, also Norwegian recommendations on corporate governance. The same applies to all companies under GRIEG's control. This corporate governance document applies fully to all companies within the group.

The Company's Board of Directors has approved this corporate governance document as Corporate Governance to make GRIEG's willingness to demonstrate proper conduct of its business. Naturally then, the board of directors have accepted an instructions for the Board of Directors- and the Company's Management.

The Company adheres to all laws and regulations relating to handling and control of insider trading and information to the shareholders and the market.

1.2 OBJECTIVE

This governance document contains the measures which are implemented to secure efficient management and control of the GRIEG group operation. The primary goal is to have routines and systems of communication, surveillance, responsibility, internal control and incentives that secure the demands of the group's results, the paramount success of operations, and the return of investments to shareholders. The board of directors will continually evolve and improve upon the Corporate Governance. This is considered an important process upon which the board of directors and management will at all times focus strongly.

1.3 REGULATIONS

GRIEG SEAFOOD ASA is a Norwegian public company listed on Oslo Stock Exchange. GRIEG is subject to the requirements that accompany the Public Limited Companies Act 1997, Securities Trading Act and stock exchange law and regulations.

1.4 COMPANY MANAGEMENT

Control and management of the Company is shared between the shareholders, represented through the General Meeting, the board of directors and administrating director, and is exercised in accordance to the existing company legislation. The Company has an external and independent accountant.

2 THE BOARD OF DIRECTORS

2.1 RESPONSIBILITY

The Company is to be managed by an efficient board of directors who have shared responsibility for the company's success. The Board represents and is responsible for the Company's shareholders. The Board of Directors' duties consist of the compilation of GRIEG's strategy and attention to the implementation of said strategy, efficient supervision by general manager, control and supervision of the Company's financial situation, internal controls and the Company's overriding responsibility for, and communication to, the shareholders.

The Board of Directors shall ensure that the Company, at any given time, is adequately organized and managed in such a manner that the Company's tasks can be resolved and the set goals reached, and operations are performed in accordance with all relevant laws and regulations. The Board of Directors shall further ensure that the organization is in accordance with the Company's business according to the articles of association and the guidelines given to the board by the shareholders in the General Meeting.

The Board of Directors shall initiate any investigations the board finds necessary at any given time to perform their duties. The Board shall also initiate such investigations requested for by one or more board members.

2.2 FINANCIAL CONTROL

2.2.1 Supervision and Reporting

The Board of Directors shall make sure that they are at any given time kept up to date with regards to the Company's financial situation. The Board's obligation is to make sure that the company's operation, bookkeeping and capital management are subject to satisfactory control, and that the reporting routine in the group at any given time is satisfactory. The members of the Board shall have full and free access to managers, employees and accounts for each and all of the companies in the group. The Board shall make sure the managing director submits monthly reports to the Board with reference to the financial situation.

2.2.2 CAPITALIZATION

The Board of Directors shall continually evaluate whether the Company's capital and liquid assets are, at any given time, sufficient with regards to the risk and extent of the Company's operation, and that the minimum requirements that are set in existing legislation and regulations are in fulfillment. The Board shall immediately initiate all necessary actions if the Company's capital and or liquid assets should prove to be insufficient.

2.3 INTERNAL CONTROL

The purpose of internal control is to see that the Company, through its organization of operations and routines, secures its customers' interests, also by an advance warning to enable management to reach its set goals. Achievement of goals also requires secure systematic and strategic work and planning, identification of risks involved, choice of risk profile, and also the establishment and implementation of controls and actions that will ensure goal achievement.

Internal control is an ongoing process that is initiated, implemented and monitored by the company's board of directors, management and employees. The internal control is modeled to provide reasonable security for reaching the company's goals in the following:

- Goal-oriented, efficient and adequate activity,
- Reliable internal and external reporting,
- Compliance with rules and regulations, including internal guidelines.

The board shall report at least once a year on how such controls are carried into effect according to the provided guidelines laid down.

The board has fixed systems for the completion and reporting of internal controls within the Company. Internal Control Reporting also consists of meeting the same requirements as the controlling and reporting which is laid down in the regulations for aquaculture which came into force 1 January 2005.

2.4 COMPOSITION

2.4.1 Number of Board Members

The Board of Directors has, according to the articles of association, up to 7 members.

2.4.2 Independent Board Members

The majority of the Board Members shall consist of members who are not reliant on the Company's daily management and essential business connections. Further, the Board shall consist of at least two members who are independent from the Company's principal shareholders. Principal shareholders are shareholders who own more than 10% of the shares.

Independence in this connection requires that there are no circumstances or affiliations that can influence the aforementioned person's independent evaluation. In the assessment of independence, the majority of the deciding factors shall be whether the person/people:

- Have been employed in the Company or affiliated with the Company in the past three years;
- Have accepted or are accepting any payment from the Company aside from Board allowance; or
- Have had substantial business connections to the Company within the past three years

According to the Public Limited Companies Act, the managing director cannot simultaneously be the chairman of the board.

2.5 ELECTION AND DISMISSAL

The Members of the Board are elected by the shareholders in the Company's General Meeting for a period of two years as long as the articles of association are not altered. The chairman of the board is elected in the General Meeting by individual votes. The board itself elects the deputy to the chairman. The shareholders can, in the General Meeting, decide to dismiss a member of the board.

GRIEG has established a nominating committee (March 09) and will consider the need other committees such as a Remuneration committee, in accordance with changes among the shareholders of the Company.

2.6 PROCEDURE

The Board of Directors has determined a number of instructions for the Board of Directors and the Company's administrative management (Management) which consists of more detailed decisions concerning duties, working methods and obligations as to confidentiality. The role, respectively, of the board and the managing director is separate and the division of responsibility between the two is stipulated in writing and approved by the board. Instructions for the Board and the Management were approved by the board 20 April 2007.

3 PAYMENT TO MEMBERS OF THE BOARD AND EMPLOYEES

3.1 GENERAL

Payment to board members shall be determined by the shareholders at the General Meeting according to recommendations from the board. Any payment shall be recorded in the Company's financial statements.

3.2 SHARE OPTIONS

The Company has established principals for a share options program which includes the key administrative personnel at GRIEG. The principals of this program were approved at the Company's General Meeting 20 April, 2007. The Company has not allotted share options to the board members.

3.3 SEVERANCE

The Company's vice administrating director and finance director will, as set out in further detail in the conditions, have the right to a severance payment equivalent to 9 months salary in addition to salary within the resignation period of 3 months.

4 INFORMATION AND TRANSPARENCY

4.1 GENERAL

GRIEG shall give its shareholders, Oslo Stock Exchange and the general financial markets (through Oslo Stock Exchange's information system) timely and precise information at any given time. Such information will be given in the form of annual reports, quarterly reports, press release, companies disclosure and investor presentations, dependent upon the format most suitable. The Company shall attempt to prepare its long-term potential, including strategy, value and risk factors. The Company shall maintain an open and active policy for investor relations, and shall provide presentations in connection with annual and current results regularly.

The Company shall make announcements about each circumstance where for example the Board and General Meeting will be asked to make decisions regarding distributions, mergers and demergers or changes in the share capital, permission of subscription rights, convertible loans and all contracts of substantial importance that are entered into by the Group's companies or related parties.

4.2 INFORMATION TO SHAREHOLDERS

The Board of Directors shall make sure that information provided by the Company will be made available on the Company's homepage in accordance with the decision made by Public Limited Companies Act, Securities Trading Act and stock exchange laws and regulations. The Chairman of the Board shall make sure that the shareholders views are communicated to the entire Board.

5 THE NEGOTIABILITY OF THE SHARES

The Company's shares are freely transferable.

6 FAIR TREATMENT OF THE SHAREHOLDERS

6.1 GENERAL

The Company shall take into consideration the interests of all shareholders within the Company and treat all shareholders fairly and equally.

6.2 APPROVAL OF CONTRACTS WITH SHAREHOLDERS AND OTHER CLOSE PARTS

All transactions that are essential between the Company and a shareholder, a member of the board or leading management or any related party hereof shall be subject to a valuation by an independent third party. If the compensation exceeds one twentieth of GRIEG's share capital, then such transactions shall be approved by the shareholders in the General Meeting, according to the requirements set out in the Public Limited Companies Act §3-8. Members of the Board and management shall inform the Board in such a case where they have substantial interest in a transaction to which the Company is party.

7 AUDIT

The Company's auditor is chosen by the shareholders at the General Meeting in accordance with the Public Limited Companies Act. The Company's auditor must be authorized by the government. The Board must provide proposals in the General Meeting as to election, dismissal and payment of the auditor. The Board shall supervise the auditor's independence, as well as the auditor's performance of tasks in addition to audit. The Board shall have a meeting at least once a year with the auditor without a representative from management present. The Board shall inform the shareholders in the General Meeting about the auditor's payment for both the ordinary audit and execution of other tasks.

8 OWNERS' EQUITY AND DIVIDEND POLICY

At any given time, the Company shall have an owners' equity which is justifiable with regards to the Company's strategy, operation and risk profile. GRIEG's goal is to render a competitive return on invested capital to of the share price. The Board will base its assessment of the dividend's size upon security, predictability and stability, the Company's dividend capacity, the requirements for wholesome and optimum owners' equity, as well as adequate financial resources to arrange for future growth and investment, and the desire to minimize capital expenditure.

9 GENERAL MEETING

The shareholders represent the highest authority in GRIEG through the General Meeting. The General Meeting for GRIEG will be held every, and within the end of June. The financial statements, annual reports and share dividends shall be approved in the General Meeting, including other decisions that are required under existing laws and regulations.

The Board can call for an extraordinary General Meeting at any given time when they find it necessary or when such meetings are required by existing laws and regulations. GRIEG's auditor and every shareholder or a group of shareholders that represent more than 5% of GRIEG's share capital can demand that the Board to call for an extraordinary General Meeting.

The Board will give notice of a General Meeting at least two weeks before the meeting takes place and will ensure that the notice and additional information is sufficiently detailed and extensive. Each shareholder may be asked to determine whether or not they wish to attend and participate in the meeting, however this must be done in advance. Those shareholders who cannot attend may vote by proxy. A proxy form will be enclosed with the notice of a General Meeting. It will also be possible to give proxy to the chairman of the board or the Company's administrating director. GRIEG will publish the General Meeting protocols on its homepage and will also make the protocols available for inspection at the Company's business office.

The Board of Directors shall not contact the shareholders outside of the General Meeting in a way that will discriminate between the shareholders in an unreasonable way or be in conflict with existing laws and regulations.

10 CHANGE IN CONTROL, ACQUISITION

10.1 NO DEFENSE MECHANISM

The Company shall not establish any mechanism that can hinder or deter take-over bids, unless this is taken by decision of the General Meeting by two thirds majority (of cast votes and represented share capital).

Executive Management group

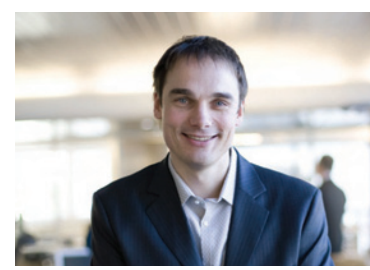
MORTEN VIKE CEO
From 1st August 2008. Since 1994, he has worked in the food industry and since 2001 has been Executive Vice President of Rieber & Søn, with particular responsibility for international operations, i.e. as CEO of Vitana a.s. in the Czech Republic. Mr. Vike has a Msc. in Business and Administration from the Norwegian School of Economics and Business Administration (NHH) and a CEMS Master from St. Gallen, Switzerland.

EIRIK BLOCH HAUGLAND CFO
has held the position as CFO at Grieg Seafood since 2003. Previous working experience includes management consultant with PwC Consulting, CFO at Nutec, Bergen, and wide experience from the upstream and downstream activities at Norske Shell, including international natural gas contract negotiations and regional manager, retail. Mr. Haugland holds a BSc Honours degree from Warwick University Business School in England.

IVAR KVANGARDSNES COO
has worked at Grieg Seafood since 2006. He was the working chairman of the Volden Group AS in the period 2004-2006. From 2000-2004 he worked in INAQ Management as a director and subsequently as a partner. Mr. Kvangardsnes holds a MSc in International Business from Bodø in 1995. From 1997 - 2000 he worked as Manager at KPMG Consulting, Centre of Aquaculture and Fisheries. Mr. Kvangardsnes has 5 years' experience as a fish farmer and holds several board seats within the fishery sectors.

MICHAEL STARK
MANAGING DIRECTOR
Grieg Seafood Hjaltland joined the company in 1998 and became managing director of the group in April 2005. Mr. Stark is also chairman of Shetland Aquaculture, vice-chairman of Seafood Shetland, director of Scottish Salmon Producer Organization and other industry associations in Shetland. Mr. Stark qualified as an engineer within food technology studies in Germany.

PETER GIBSON
MANAGING DIRECTOR
Grieg Seafood British Columbia has been Managing Director of Grieg Seafood BC Ltd since 2002. He was previously the production manager in Heritage and Stolt Seafarm and has 26 years of experience in the marine farming industry. Mr. Gibson holds an MSc in Aquaculture.



HÅKON VOLDEN,
MANAGING DIRECTOR
Grieg Seafood Finnmark has worked at Grieg Seafood since 2006. He has been Managing Director of Grieg Seafood Finnmark (previously Volden Group) since 1993. Mr. Volden holds several board seats.

ALEXANDER KNUDSEN
MANAGING DIRECTOR
Grieg Seafood Rogaland has been working at Grieg Seafood since 1997. He previously worked at Øvrebø Fisk AS which was purchased by Grieg Seafood in 1997. He has a degree in economy and administration from Molde University College.

Board of Directors

HELGE NIELSEN (1952)
CHAIRMAN OF THE BOARD

Nielsen worked for the Grieg Group from 1995 to 2004, first as managing director of Grieg Seafood for the period 1995-1998 and subsequently as managing director for Grieg Logistics for the period 1998-2004. Previous to his engagement in the Grieg Group, Mr. Nielsen had various international positions in Mølnlycke Health Care.

He holds a degree in business administration from the Norwegian School of Management and Business in 1975. He works today as independent consultant and holds board positions in various companies.

HARALD INGEBRIKT VOLDEN
(1941) VICE CHAIRMAN

Volden is one of the pioneers within Norwegian salmon farming and established fish farming in Finnmark as early as 1978. This became the Volden Group AS which in 2006 consisted of a vertically integrated fish farming company with its own smolt production and harvesting plant and 24 grow out licenses. Mr. Volden served as the managing director until 1999 and as chairman until 2005. He has kept prominent roles in various formal agencies within the fish farming industry. The Volden Group was sold to Grieg Seafood in 2006 and Mr. Volden currently holds 19% of Grieg Seafood through Halde Invest.

TERJE RAMM (1959)
BOARD MEMBER

Since 1997, Mr. Ramm has been executive vice president of Norgesmøllene AS and as of December 2008 also executive vice president of Stormøllen AS. He is also in charge of the daily management of Stormøllen Industri AS. Previously he was legal advisor/company secretary at Stolt Sea Farm in the period 1990-1997. Mr. Ramm has also worked as a lawyer in DnB Finans and as a police lawyer at Bergen Politikammer. Mr. Ramm holds a series of board positions and has a law degree from the University of Bergen 1985.

ANNE-GRETE ELLINGSEN (1953)
BOARD MEMBER

Ellingsen is director for water power and partner relations at Agder Energi, a major Norwegian electricity producer. Previously she was director of partner relations and affinity market at Gjensidige, a leading Scandinavian Insurance company. Ellingsen's previous work experience includes the position of managing director of the Federation of Norwegian Commercial and Service Enterprises (HSH), several management positions with Statoil and Elf Aquitaine in Norway and abroad. Ms. Ellingsen has more than 20 years of experience as a board member of privately owned and listed companies and holds a BSc in chemistry, a MSc in Petroleum Technology and a BSc in Economics.

SIRI HAMNVIK (1965)
BOARD MEMBER

Hamnvik is Marketing Director at Macks Ølbryggeri, Tromsø from 2007, including in charge of communication and product development. Ms. Hamnvik has broad experience from several companies including an investment company, fish farming and within fisheries research. She holds a MSc in Business Administration.

Board of Directors report

The growth in sales revenues in 2008 was satisfactory and in accordance with Grieg Seafood's planned growth. Operating revenues amounted to MNOK 1 488, an increase of 39 per cent compared with the previous year. Capacity expansion and continuance of investments have been implemented as planned.

The operating result before adjustments for biomass was a loss of MNOK 173 compared with an operating profit of MNOK 121 for 2007. The result reflects the impact of a write-down of fixed assets amounting to MNOK 200 and a MNOK 47 write-down of sea stocks as a result of disease and sea lice attacks in Q4. Harvesting at locations previously affected by Pancreas Disease (PD) has also had a negative effect on the result.

In February 2009 the company signed an agreement for extended financing facilities to secure the existing growth plans for 2009 and 2010. The financial package of MNOK 236 consists of MNOK 100 in extended credit and MNOK 36 in deferred repayment on existing loans from the company's bank syndicate. In an extraordinary general meeting in Grieg Seafood it was also resolved to raise a subordinated convertible bond loan of MNOK 100.

The production of fish for human consumption amounted to 60 000 tonnes, an increase of 6 500 tonnes from 2007. A total of 51 700 tonnes gwe was harvested in 2008, an increase of 13 700 tonnes. 10 new licences in Shetland with an annual production capacity of 6 000 tonnes round weight were acquired. Less fish disease is expected in the years ahead as a result of efforts to improve fish health.

Grieg Seafood ASA has been listed on the Oslo Stock Exchange since June 2007.

MAIN BUSINESS

Grieg Seafood is one of the world's leading producers of farmed salmon and trout, and has a production capacity of more than 80 000 tonnes gutted weight annually. The commercial development of the company is based on profitable growth and sustainable use of nature, and on being a preferred supplier to selected customers.

Grieg Seafood has operations in Finnmark and Rogaland in Norway, British Columbia in Canada, and the Shetlands (UK). At year-end the company had 485 employees. The head office is situated in Bergen, Norway. The group has 104 licences for salmon farming, four licences for smolt production and four processing facilities.

COMPANY STRATEGY

The company's growth strategy is to a large extent implemented. The main priority going forward is to further improve efficiency in operations and profitability without increasing smolt placement and production. There will nevertheless be strong growth in production in the years ahead as a result of increased smolt placement in and before 2008.The company has implemented processes and projects to improve productivity and realise synergies and by transfer of best practice across the regions. The organisation has been adjusted to give greater operational priority. All regions report directly to the CEO. The position of Chief Operating Officer (COO) has been established to implement planned improvements on the production side of the group.

Grieg Seafood is one of the world's leading salmon and trout farming companies. Based on the sustainable use of natural resources, our aim is to produce high quality seafood for discerning customers and to generate value for our shareholders.

HIGH QUALITY

Grieg Seafood prioritises quality in all areas of the business, to offer customers the best possible finished product. High quality is essential in order for the group to be competitive. Customer loyalty is achieved by offering a high level of service, reliable deliveries and products that have consistent high quality.

Salmon processing operations create products for customers who demand high quality. An example of this is salmon from Grieg Seafood Hjaltland, which has achieved the European Gold Standard for quality and is accredited the Superior Quality Shetland Salmon scheme. In the market for high quality products, it is possible to achieve higher and more stable margins.

The company is committed to sustainable use of natural resources and development of an organization with high ethical standards.

Grieg Seafood prioritises preventive measures to safeguard fish health. Should there nevertheless be an outbreak of disease, routines have been established to quickly contain the outbreak and reinstate normal production as quickly as possible.

The company gives top priority to preventing fish escape. Special routines have been established to prevent escape, inter alia through thorough internal controls. Top priority is also given to avoiding local pollution. Measures to prevent escape and local pollution are necessary in order to safeguard fish health and the local environment, but also to enable the company to deliver good quality and achieve profitable operations.

Professional management and a qualified workforce at modern, hi-tech facilities ensure top quality in all stages of production.

MARKETS AND PRODUCTS

Modern consumers demand safe food and sustainable production. Grieg Seafood shall be at the cutting edge of development in these areas. Sales work will become increasingly more important as the company develops its own sales and distribution system. The further development and promotion of the Blue Silver (Europe and Asia), Royal Canadian (North America via Calkins & Burke) and WildWaters (Europe, North America and Asia) brands commands a central position in the company's marketing strategy.

In addition to the experienced and professional sales organisation in Shetland and a solid sales agent in Canada, the company is in the process of building up a dedicated sales organisation for Norway. This new sales organisation will be responsible for the sale and marketing of Norwegian produced fish, and has already got a good grip on sales to the European market.

Grieg Seafood's main product is fresh salmon, sold whole or processed. The company shall have control of the entire value chain. The production is certified in accordance with regulations and standards stipulated in national laws and in compliance with high demands from our customers.

FINANCIAL STATEMENTS 2008

The annual financial statements are prepared in accordance with IFRS. The main features of the financial statements for 2008 are:

- Strong growth in turnover
- A negative result caused by write-downs and non-recurring items
- Temporary unrealised exchange loss at year-end

Grieg Seafood had a turnover in 2008 of MNOK 1 487.5, an increase of 39 per cent from 2007. The operating result before biomass adjustments was a loss of MNOK 172.9, compared with an operating profit of MNOK 121.3 for 2007. After biomass adjustments, the company recorded an operating loss of MNOK 208.6 for 2008, against MNOK 77.3 the year before. The operating margin was -14% for 2008 compared with 7.2% for 2007.

The result before tax was a loss of MNOK 441.9, down from a profit of MNOK 36 for 2007. The result was weaker than expected due to non-recurring effects and write-downs, as well as an unrealised foreign exchange loss. In total the losses were close to MNOK 400, which caused incompliance with some of the covenants in the existing loan agreement. In February 2009 an extended financing package was concluded and some of the covenants for the existing loan agreement were suspended through 2009. (See note 28 for more details.)

As part of the financial risk management strategy, the company has currency loans in EUR, GBP and USD. The turmoil in foreign exchange markets and weakening of NOK in Q4 2008 incurred the company an unrealised exchange loss of some MNOK 140 at year-end 2008. So far in 2009 the NOK has been considerable strengthened against the mentioned currencies and the unrealized exchange loss is reduced accordingly.

In view of the unrealised exchange loss in Q4 2008, the board will evaluate the handling of the company's financial risk management strategy. This may result in changes to the approved strategy.

The company has not started or carried out new research or development projects in 2008.

As at 31 December 2008, the company had an equity ratio of 30.0 per cent, compared with 42.5 per cent at year-end 2007. The board is of the opinion that the financial statements provide a true and fair view of the company's assets and liabilities, financial position and financial results.

OPERATIONAL REGIONS

In Rogaland, production costs are on a falling trend and fish health is improving. The operating result before biomass adjustments was a loss of MNOK 16 for 2008, corresponding to minus NOK 2.4 per kilo. The results in Rogaland reflect extraordinarily high production costs at locations where stocks were harvested at the end of 2008 as a result of disease in 2007 and 2008.

Production costs in Finnmark are also on a falling trend. Investment in a recirculation plant at the smolt facility has resulted in reduced costs and a shorter production cycle. The operating result before biomass adjustments was a loss of MNOK 188.3, corresponding to minus NOK 10.7 per kilo. Following an impairment test in accordance with IFRS accounting rules, the board decided to write down goodwill, excess value of fixed assets and licence assets by MNOK 200 in Finnmark.

In British Columbia, the recirculation plant at the smolt production facility has shown very promising results since its full commissioning in Q4 2008. The operating result before biomass adjustments was a profit of MNOK 55.9 in 2008, corresponding to NOK 3.4 per kilo. The Canadian results have been affected by a weaker market in the US at the end of 2008 and a temporary fall in net sale prices. This is attributed to a flood of small fish from Chile due to forced harvesting as a result of the ISA situation there.

A new smoking facility was commissioned in Shetland in Q4 2008 and the new smoked salmon products have been well-received in the marketplace. The operating result before biomass adjustments was a loss of MNOK 16.5 for 2008, corresponding to minus NOK 1.2 per kilo. The results were affected by high mortalities caused by a sea lice attack. There was also a write-down of the biomass in the Shetland region due to an outbreak of ISA. The total write-down amounted to MNOK 47.

CASH FLOW

In 2008, the net positive change in cash flow was MNOK 43.8 compared to MNOK 11.6 in 2007. Net capital investments in 2008 amounted to MNOK -321.1, against MNOK -798.2 in 2007. Cash flow from operations was MNOK 77.9, against MNOK -37.2 in 2007. Net cash flow from finance was MNOK 286.9, against MNOK 847.1 the year before.

At year-end the disposable cash balance was MNOK 68.1.

BALANCE SHEET

The company equity at 31 December 2008 was MNOK 928.6 compared with MNOK 1 266.1at year-end 2007.

The balance sheet total amounted to MNOK 3 094.7 of which MNOK 43.6 is the book value of goodwill and MNOK 831.9 the book value of licences.

GRIEG SEAFOOD ASA

The financial statements for the parent company for 2008 have been prepared in accordance with Norwegian generally accepted accounting principles (NGAAP).

Grieg Seafood ASA reported a pre-tax loss for 2008 of MNOK 307.3, compared with a pre-tax profit of MNOK 27.2 the year before. The book value of shares relating to the operations in Finnmark was written down by MNOK 185.0. The book net foreign exchange loss on contracts was MNOK 93.1.

In 2008 Grieg Seafood had a net positive change in cash flow of MNOK 6.87 compared to MNOK 11.1 in 2007. Net capital investments in 2008 were MNOK -273.3 compared to MNOK -691.9 the year before. Cash flow from operations was MNOK 49.9, against MNOK -18.7 in 2007.

Disposable cash and cash equivalents totalled MNOK 19.7 as of 31 December 2008.

DEVELOPMENTS AFTER THE BALANCE SHEET DATE

Key factors after the balance sheet date:

- Operating revenues continue to grow.
- The MNOK 236 financing package is in place.
- The unrealized exchange loss at year-end has been considerably reduced.
- ISA identified at two sites in the Shetlands.
- Efforts to improve efficiency and increase profitability are well under way.

RISK FACTORS

Grieg Seafood is exposed to fluctuations in interest rates and foreign exchange rates with respect to financing of the business in all regions. The company strategy is generally to reduce these risk factors by financing the business in the major trade income currencies. Current borrowings are mainly based on floating market interest rates. The company funding policy going forward may be to take loan positions on fixed interest terms in order to reduce this risk.

The company is also exposed to numerous risks, such as biological production, market variations in salmon prices, changes in interest and foreign exchange rates, and political decisions resulting in trade barriers. The company's internal control and risk situation are under constant monitoring for potential improvement. Efforts to reduce the various risk factors are given high priority. Financial and contractual hedging in combination with operational measures are key to reducing and controlling the risk factors. For more information, please see note 3 in the financial statement.

CORPORATE GOVERNANCE

The company is within the jurisdiction of Norwegian laws and regulations for good corporate governance. The company board regularly discusses the management structure and internal control. An election committee was elected at the extraordinary general meeting held on 13 February 2009. Remuneration and benefits to board members are determined by the shareholders in the general meeting based on proposals from the election committee. The company has established a share option programme, which includes the management group in Grieg Seafood. The board members do not participate in the share option programme. In August 2008, Morten Vike succeeded Per Grieg Jr. as Managing Director.

Information about remuneration policy for the management team is stated in note 5. (Read more about Corporate Governance at page 25, or go to www.griegseafood.no/corporategovernance for full text).

ORGANISATION AND EMPLOYEES
GRIEG SEAFOOD GROUP
At year-end 2008 the group had 485 employees, comprising 216 in Norway, 160 in Shetland and 109 in Canada.

The board wishes to thank all company employees for an exceptional performance in a year marked by considerable challenges for the company, but which has also provided the basis for positive future development.

The company has a clear majority of male managers and employees. There are 10 female employees in management positions. The company's staff policy is to provide the right conditions for retaining and attracting qualified employees of both genders.

That Grieg Seafood is an international company is also reflected in the fact that 16 nationalities are represented among the employees. The company does not accept any discrimination on grounds of gender, religion, cultural background, race, disability nor any other circumstance. Our aim is to operate our business based on respect and equality.

Short-term absence due to illness in 2008 ended at 2.81 per cent, while long-term absence was 1.97 per cent. During 2008 14 incidents with personnel injuries were reported. Hence the organisational structure all HSE issues are handled locally in accordance with national requirements and in compliance with internal measures of Grieg Seafood. The working environment in the company is considered good.

GRIEG SEAFOOD ASA
Grieg Seafood ASA had a 10 staff at the head office in Bergen where of one woman in a management position. Short-term absence due to illness in 2008 was 1.30 per cent, while long-term absence was 1.08 per cent. No accidents or incidents were reported last year.

The company does not pollute the external environment. The working environment in the company is considered good.

CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENTAL MANAGEMENT
Grieg Seafood is committed to a sustainable use of natural resources and to developing an organization with high ethical standards. In both these areas we have agreed goals and detailed plans for implementing measures.

The fish farmer has total responsibility for fish welfare and for ensuring that the fish are kept in natural surroundings that provide optimal conditions for well-being. Grieg Seafood selects sites for its farms with deep water and good currents. The density of fish in the pens shall not exceed 20 kg per m3 or a maximum of 2 per cent of the pen's volume.

The company has prepared a special fish health plan that determines how all operations in the production process shall be carried out. The fish are systematically checked by veterinaries.

Grieg Seafood places considerable emphasis on preventive measures and being able to respond quickly in the event of disease or local pollution events. This is essential for taking care of both the environment and fish health, but also for ensuring quality and profitability in the production. All operations are conducted in accordance with the company's fish health plan.

Measures have been taken to prevent fish escaping from the pens. The aim is to operate a business that does not cause any permanent damage to the environment.

Salmon lice are natural parasites found on wild salmon. The company has a programme for monitoring the level of lice on the fish and delousing when needed. We also use wrasse to help with the de-licing of salmon.

As a user of natural resources such as clean water and feed of raw material from wild fish, the company has a special responsibility that stretches beyond the company's own property and stocks. New research indicates that in future fish farmers will be less dependent on wild fish as raw material for feed.

Since 2003, Grieg Seafood in Canada has been a supporting member of the Nootka Sound Watershed Society, which is an organization that among other things monitors the health of wild salmon stocks on the west coast of Vancouver Island. In cooperation with other fish farmers, Grieg Seafood is working actively to put in place a new area management plan for Scalloway in Shetland. This will improve the future biological situation in the area.

OUTLOOK
The downturn in the global economy has thus far had little effect on the demand for farmed salmon. Grieg Seafood has a considerable potential for increasing production within existing licences. The board plans to develop this potential in relation to anticipated growth in the international market. The financial package established at the beginning of 2009 will ensure the financing of planned growth in production in the years ahead.

The supply to the salmon market is expected to be reduced in 2009. The ISA situation in Chile will, with a high degree of probability, result in a substantial reduction in the supply of salmon from Chile. If so, it will affect the market balance and pricing, particularly in the US market, but also in the market in general. The price of salmon in the US market has already shown an increase.

Feed prices are expected to fall in line with reduced raw material prices and lower demand.

The highest priority shall be given to realising an efficient and profitable operation in the time ahead. The main aim of organisational changes and implementation of processes and projects is to increase productivity and realize synergies across the operational regions. Best practice will be normative for the development of the company.

Operations in Rogaland are expected to show improved margins already in the first half of 2009 as a result of a reduction in costs. In Finnmark, the company has reopened its salmon harvesting plant with effect from March 2009.

This means that the company now will have full control over sales to the Russian market. The harvesting plant had been closed since April 2008 and the export licence to Russia had been temporarily suspended. Full market access to Russia is expected to be re-established following the reopening of the harvesting plant.

The biological production in Canada is expected to be improved in 2009 and beyond as a result of the full commissioning of a recirculation plant in the smolt production towards the end of 2008.
The market in the UK has kept remarkably well despite the downturn in the economy. Grieg Seafood Hjaltland started delivery from a new smoking plant at the end of 2008. The new smoked salmon products have been well-received in the market.

The estimated gutted volume is just under 60 000 tonnes for 2009 and 70-75 000 tonnes for 2010.

GOING CONCERN
In accordance with the Norwegian Accounting Act, the Board of Directors confirms that the conditions are present for preparing the financial statements on the basis of the company as a going concern. The basis for continuing in business for the foreseeable future is among other factors that the Group has extended its financing and that the loan covenants as of 31 December 2008 have been suspended through 2009.

ANNUAL RESULT AND ALLOCATIONS

Grieg Seafood ASA had a loss for the year of TNOK 273 679. The Board proposes that the company's loss for the year be settled as follows (all figures in TNOK):

Transfer from other reserves	27 110
Transfer from other called-up & fully paid share capital	56 999
Transfer from share premium reserve	189 570
Total	273 679

The company's unrestricted equity was NOK 0 as of 31 December 2008.

RESPONSIBILITY STATEMENT

We confirm, for the best of our knowledge, that the financial statements for the period 1 January to 31 December 2008 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole. We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Bergen, 2nd of April 2009

The Board of Directors of
Grieg Seafood ASA

Helge Nielsen
Chairman

Harald Ingebrikt Volden
Vice-chairman

Terje Ramm
Board member

Anne-Grete Ellingsen
Board member

Siri Hamnvik
Board member

Morten Vike
CEO

Financial statement

Grieg Seafood Group ASA

GROUP **CONSOLIDATED INCOME STATEMENT**

Figures in NOK 1 000	Note	IFRS 2008	IFRS 2007
Sales revenue	9, 10	1 477 029	1 021 810
Other income	9	10 474	46 542
Total income		**1 487 503**	**1 068 352**
Changes in inventories of work in progress based on cost	22, 23	51 637	205 859
Raw materials and consumables used	22, 23	-903 678	-746 174
Salaries and personnel expenses	11, 12	-165 148	-136 246
Other operating expenses	11	-332 645	-196 814
Operating profit before depreciation and fair value adjustments of biological assets		137 669	**194 977**
Depreciation	20	-106 144	-72 486
Impairment of fixed assets	20, 19	-38 012	-
Amortisation of licenses and other intangible assets	19	-4 378	-1 155
Impairment of goodwill and licenses	7, 19	-161 988	-
Operating profit before fair value adjustment of biological assets		**-172 853**	**121 336**
Fair value adjustment of biological assets	23	-35 747	-44 075
Operating profit	**10**	**-208 600**	**77 261**
Income from associated companies	16	700	-1 897
Financial income	14, 15	37 207	26 488
Financial expenses	14, 15	-271 172	-65 815
Profit before taxes		**-441 865**	**36 037**
Income tax expense	26	97 461	16 165
Profit for the year		**-344 404**	**52 202**
Profit to minority interests		-	782
Loss/profit attributable from/to equity holders of the parent company		-344 404	51 420
Earnings per share from continuing operations (NOK)	17	-4,50	0,80
Earnings per share from continuing - diluted (NOK)	17	-4,50	0,80

GROUP **CONSOLIDATED BALANCE SHEET**

Figures in NOK 1 000	Note	IFRS 2008	IFRS 2007
ASSETS			
Goodwill	19	43 616	138 661
Licenses	19	831 921	849 838
Other intangible assets	19	8 205	
Property, plant and equipment	20	794 346	639 092
Investments in associated companies	16	11 579	10 879
Loans to associated companies		2 410	2 897
Available-for-sale financial assets	18	178	156
Other non-current receivables	25	1 790	10 275
Total non-current assets		**1 694 045**	**1 651 798**
Inventories	22	44 592	34 927
Biological assets	23	1 073 341	1 067 574
Accounts receivable	24	157 876	111 893
Other current receivables	25	48 488	82 578
Derivates and other financial instruments	15	8 243	1 991
Cash and cash equivalents	21	68 146	24 318
Total current assets		**1 400 686**	**1 323 281**
Total assets		**3 094 731**	**2 975 079**
EQUITY AND LIABILITIES			
Share capital	27	306 048	306 048
Share premium fund		811 120	811 120
Other reserves		98 383	91 459
Retained earnings		-286 948	57 456
Minority interest		-	-
Total equity		**928 603**	**1 266 083**
Deferred tax liabilities	26	207 020	281 294
Pension obligations	29	4 161	4 369
Subordinated loans	28	13 517	9 800
Borrowings	28	8 065	563 484
Financial leasing liabilities	28, 32	213 117	123 352
Other non-current liabilities		5 882	19 096
Total non-current liabilities		**451 762**	**1 001 395**
Bank overdraft	28	-	337 957
Short-term loan	28	496 702	-
Current portion of long-term borrowings	28	807 827	76 184
Current portion of financial leasing liabilities	28, 32	35 305	52 498
Accounts payable		214 687	197 356
Tax payable	26	-	9 402
Accrued salary expense and public tax payable		13 611	8 619
Derivates and other financial instruments	15	122 532	50
Other current liabilities	31	23 702	25 535
Total current liabilities		**1 714 366**	**707 601**
Total liabilities		**2 166 128**	**1 708 996**
Total equity and liabilities		**3 094 731**	**2 975 079**

Bergen, 2nd of April, 2009,
Grieg Seafood ASA

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

GROUP **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Figures in NOK 1,000	Share capital	Share premium	Other reserves	Currency translation	Retained earnings	Minority interests	Total Equity
Equity 31.12.06	**184 848**	**257 152**	**118 169**	**-**	**6 036**	**13 050**	**579 255**
PROFIT FOR THE YEAR 2007	**-**	**-**	**-**	**-**	**51 420**	**782**	**52 202**
Fair value adjustment financial assets available for sale	-	-	-13 675	-	-	-	-13 675
Currency translation effects foreign subsidiaries	-	-	-	-4 633	-	-	- 4 633
Total gains and losses charged directly to equity	**-**	**-**	**-13 675**	**-4 633**	**-**	**-**	**-18 308**
Total recognised income for 2007	**-**	**-**	**-13 675**	**-4 633**	**51 420**	**782**	**33 894**
Acquisition of minorities	-	-	-12 017	-	-	-13 833	-25 850
New equity from cash contributions	121 200	575 700	-	-	-	-	696 900
Effects on share-based compensation	-	-	3 615	-	-	-	3 615
Expenses related to share issues (net of tax)	-	-21 732	-	-	-	-	-21 732
Total equity from shareholders in 2007	**121 200**	**553 968**	**-8 402**	**-**	**-**	**-13 833**	**652 932**
Total change of equity in 2007	**121 200**	**553 968**	**-22 077**	**-4 633**	**51 420**	**-13 050**	**686 826**
Equity 31.12.07	**306 048**	**811 120**	**96 092**	**-4 633**	**57 456**	**0**	**1 266 083**
PROFIT FOR THE YEAR 2008	**-**	**-**	**-**	**-**	**-344 404**	**-**	-344 404
Currency translation effects foreign subsidiaries	-	-	-	5 107	-	-	5 107
Other gains and losses charged directly to equity	-	-	-361	-	-	-	-361
Total gains and losses charged directly to equity	**-**	**-**	**-361**	**5 107**	**-**	**-**	**4 746**
Total recognised income for 2008	**-**	**-**	**-361**	**5 107**	**-344 404**	**-**	**-339 658**
Effect of share-based compensation	-	-	2 178	-	-	-	2 178
Total equity from shareholders in 2007	**-**	**-**	**2 178**	**-**	**-**	**-**	**2 178**
Total change of equity in 2008	**-**	**-**	**1 817**	**5 107**	**-344 404**	**-**	**-337 480**
Equity 31.12.08	**306 048**	**811 120**	**97 909**	**474**	**-286 948**	**-**	**928 603**

GROUP **CONSOLIDATED CASH FLOW STATEMENT**

Figures in NOK 1.000	2008	2007
Profit before income taxes	-441 865	36 037
Fair value adjustment on biological assets	-35 747	44 075
Tax paid for the period	-9 402	-
Depreciation and amortisation	111 651	73 641
Impairment of fixed and intangible assets	200 000	-
(Gain/) loss on sale of property, plant and equipment	-8 181	128
(Gain/) loss on sale of financial assets	-	-42 609
Fair value (gains/) losses on financial assets/instruments	116 230	-
Share of (profit/) loss from associates	-700	1 897
Interest paid	111 118	55 146
Change in inventories and biological assets	20 315	-191 357
Change in accounts receivable and other receivables	-45 983	-28 632
Change in accounts payable	17 331	66 787
Change in net pension liabilities	-208	-521
Currency translation differences	-	-22 971
Change in other accruals	43 375	-28 868
Net cash flow from operating activities	**77 933**	**-37 247**
Proceeds from sale of fixed assets	11 326	3 627
Proceeds from sale of shares and other equity instruments	-	75 651
Dividend income	10	-10
Purchase of tangible assets	-305 192	-255 610
Purchase of intangible assets	- 2 648	-165
Purchase of shares in subsidiaries	-33 569	-604 103
Change in other non-current receivables	8 950	3 367
Change in other non-current liabilities	-	8 460
Currency translation differences	-	-1 170
Cash outflow from purchase of minority interests	-	-28 233
Net cash flow from investing activities	**-321 123**	**-798 186**
Change in long-term interest bearing debt	-604 136	-21 144
Change in short-term interest bearing debt	1 001 877	64 521
Interest paid	-111 118	-55 146
Other equity transaction	1 817	3 615
Share issues	-	666 500
Currency translation differences	-1 464	26 110
Net cash flow from financing activities	**286 976**	**847 059**
Net change in cash and cash equivalents	**43 787**	**11 626**
Cash and cash equivalents at 01.01	**24 318**	**12 692**
Currency translations	**42**	**-**
Cash and cash equivalents at 31.12	**68 146**	**24 318**

GROUP **NOTES TO THE ACCOUNTS**

1. General

Grieg Seafood ASA is a public limited company registered in Norway. The company's main office is located in Bergen, Norway. Grieg Seafood ASA was listed on the Oslo Stock Exchange on June 21, 2007.
The annual accounts were approved by the board of directors for publishing on April 2, 2009.
In the following, 'group' is used to describe information relating to Grieg Seafood ASA Group whilst 'company' is used for the parent company itself.
All amounts in the notes are in NOK thousands, if not stated otherwise.

2. Accounting principles

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

The consolidated financial statements of Grieg Seafood Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention, as modified by biological assets at fair value, available-for-sale financial assets, and financial assets (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

(a) Interpretations effective in 2008
IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction', provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This interpretation does not have any impact on the group's financial statements, as the group has a pension deficit and is not subject to any minimum funding requirements.

IFRIC 11, 'IFRS 2 – Group and treasury share transactions', provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand alone accounts of the parent and group companies. This interpretation does not have an impact on the group's financial statements.

(b) Standards and amendments early adopted by the group
Not applicable to the group in 2008.

(c) Interpretations effective in 2008 but not relevant
The following interpretation to published standards is mandatory for accounting periods beginning on or after January 1, 2008 but is not relevant to the group's operations:
- IFRIC 12, 'Service concession arrangements'.

(d) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group
The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after January 1, 2009 or later periods, but the group has not early adopted them:
- IAS 23 (Amendment), 'Borrowing costs' (effective from January 1, 2009).
- IAS 1 (Revised), 'Presentation of financial statements' (effective from January 1, 2009).
- IFRS 2 (Amendment), 'Share-based payment' (effective from January 1, 2009).
- IAS 32 (Amendment), 'Financial instruments: Presentation', and IAS 1 (Amendment), 'Presentation of financial statements' – 'Puttable financial instruments and obligations arising on liquidation' (effective from January 1, 2009).
- IFRS 1 (Amendment) 'First time adoption of IFRS' and IAS 27 'Consolidated and separate financial statements' (effective from January 1, 2009).
- IAS 27 (Revised), 'Consolidated and separate financial statements' (effective from July 1, 2009).
- IFRS 3 (Revised), 'Business combinations' (effective from July 1, 2009).
- IFRS 5 (Amendment), 'Non-current assets held for sale and discontinued operations' (and consequential amendment to IFRS 1, 'First-time adoption') (effective from July 1, 2009).
- IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial Instruments: Presentation, and IFRS 7, 'Financial instruments: Disclosures') (effective from January 1, 2009).
- IAS 36 (Amendment), 'Impairment of assets' (effective from January 1, 2009).
- IAS 38 (Amendment), 'Intangible assets'(effective from January 1, 2009).
- IAS 19 (Amendment), 'Employee benefits' (effective from January 1, 2009).
- IAS 39 (Amendment), 'Financial instruments: Recognition and measurement'(effective from January 1, 2009).
- IAS 1 (Amendment), 'Presentation of financial statements' (effective from January 1, 2009).
- IAS 41 (Amendment), 'Agriculture' (effective from January 1, 2009).
- There are a number of minor amendments to IFRS 7, 'Financial instruments: Disclosures', IAS 8, 'Accounting policies, changes in accounting estimates and errors', IAS 10, 'Events after the reporting period', IAS 18, 'Revenue' and IAS 34, 'Interim financial reporting', which are part of the IASB's annual improvements project published in May 2008 (not addressed above). These amendments are unlikely to have an impact on the group's accounts and have therefore not been analysed in detail.
- IFRIC 16, 'Hedges of a net investment in a foreign operation' (effective from October 1, 2008).

(e) Interpretations and amendments to existing standards that are not yet effective and not relevant to the group's operations
The following interpretations and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after January 1, 2009 or later periods but are not relevant to the group's operations:
- IFRIC 13, 'Customer loyalty programs' (effective from July 1, 2008).
- IAS 16 (Amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7, 'Statement of cash flows')
- (effective from January 1, 2009).
- IAS 27 (Amendment), 'Consolidated and separate financial statements' (effective from January 1, 2009).
- IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial Instruments: Presentation' and IFRS 7, 'Financial instruments: Disclosures') (effective from January 1, 2009).
- IAS 29 (Amendment), 'Financial reporting in hyperinflationary economies' (effective from 1 January 2009).
- IAS 31 (Amendment), 'Interests in joint ventures (and consequential amendments to IAS 32 and IFRS 7) (effective from January 1, 2009).
- IAS 38 (Amendment), 'Intangible assets', (effective from January 1, 2009).
- IAS 40 (Amendment), 'Investment property' (and consequential amendments to IAS 16) (effective from January 1, 2009).
- IAS 20 (Amendment), 'Accounting for government grants and disclosure of government assistance' (effective from January 1, 2009).
- The minor amendments to IAS 20 'Accounting for government grants and disclosure of government assistance' and IAS 29, 'Financial reporting in hyperinflationary economies' IAS 40 and 'Investment property', which are part of the IASB's annual improvements project published in May 2008 (not addressed above). These amendments will not have an impact on the group's operations as described above.
- IFRIC 15, 'Agreements for construction of real estates' (effective from January 1, 2009).

2. Accounting principles (cont.)

CONSOLIDATION

Subsidiaries
Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group to the extent the operations of the subsidiaries constitute a business. The cost of an acquisition is measured as the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, but also considered as an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Transactions with minority interests
The group applies a policy of treating transactions with minority interests as transactions with parties internal to the group. Disposals to minority interests result in gains and losses for the group that are recorded directly against equity. In the case of purchase of minority interests, the compensation is charged against minority interests related to this investment, and the remaining difference is charged against other equity. Thus, purchase of minority does not generate or change excess values, including goodwill.

Associates
Associated companies are all entities over which the group has significant influence, but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The group's share of its associates' post-acquisition profits or losses are recognised in the income statement, and its share of post-acquisition movements in reserves are recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Gain or loss following a dilution is recorded in the income statement.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Transactions under common control
For acquisitions of businesses under common control, the company has elected to use IFRS 3 as its accounting policy.

SEGMENT REPORTING
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment provides products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

FOREIGN CURRENCY TRANSLATION
Functional and presentation currency items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian Kroner (NOK), which is the parent company's functional and presentation currency.

TRANSACTIONS AND BALANCES
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

GROUP COMPANIES
The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
(i) assets and liabilities for each balance sheet presented are translated at the closing rate on the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated on the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated to the functional currency at the closing rate.

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost will flow to the group and the cost of the item

GROUP **NOTES TO THE ACCOUNTS**

2. Accounting principles (cont.)

can be reliably measured. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land and buildings comprise mainly factories and offices. Land is not depreciated. Depreciation on other assets are calculated using the straight-line method to allocate cost less residual value over estimated useful lives, as follows:
– Buildings 13-33 years
– Machinery 3-10 years
– Carriers and barges 5-20 years

The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

INTANGIBLE ASSETS
Internally generated intangible assets are not recognised in the accounts. Goodwill and licences with indefinite economic life are subject to annual impairment tests. Impairment tests are performed more frequently if indications of impairment exist. Depreciated licences are tested for impairment only if indications of impairment exist.

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates'. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Licences
Fish farming licences that have an indefinite useful life are not amortised but reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount may have decreased.

Licences that have a definite useful life are amortised over this definite time period.

OTHER INTANGIBLE ASSETS
Acquired customer relationships and computer software licenses are capitalized and carried at cost less accumulated amortization. Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Amortization is calculated using the straight-line method over their estimated useful lives, as follows:
- Customer relationships 6 years
- Computer software 3 years

IMPAIRMENT OF NON-FINANCIAL ASSETS
Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for indicators of possible reversal of the impairment at each reporting date.

FINANCIAL ASSETS
The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

LOANS AND RECEIVABLES
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'other receivables' in the balance sheet date.

For loans and receivables the company assess each balance sheet to establish whether there is any objective evidence that the assets are impaired. Such objective evidence is, for instance:
- breach of contract, such as a default or delinquency in interest or principal payments
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation

Loans and receivables are carried at amortised cost using the effective interest method.

AVAILABLE-FOR-SALE FINANCIAL ASSETS
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Available for-sale financial assets are subsequently carried at fair value.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'other financial income/losses'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the group's right to receive payments is established. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques.
Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Regular purchases and sales of investments are recognised on trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described below.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES
The group does not apply hedge accounting according to IAS 39. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. Changes in the fair value of any derivative instruments are recognised immediately in the income statement within 'other financial income/losses'.

2. Accounting principles (cont.)

INVENTORIES
Inventories are stated at the lower end of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

BIOLOGICAL ASSETS
The accounting treatment of living fish by companies applying IFRS is regulated by IAS 41 Agriculture. IAS 41 comprises a hierarchy of methods for accounting measurement of biological assets. The basic principle is that such assets shall be measured at fair value.

Fish at sea with a round weight above 4 kg at balance sheet date are considered as mature fish ready for harvest. For weight categories above 4 kg round weight there exists an active market for gutted fish. As gutted fish for these weight categories are considered as similar assets, fair value is calculated based on the market price on gutted fish. The fair value adjustment is based on the average market price of week 1 and 2 in 2009 where market price is obtainable in other regions where historic achieved price is used. The market price used is an average of offer prices for the various weight categories for fish above 4 kg round weight. The price is adjusted for quality differences (superior, ordinary and prod.) and for freight. Further, estimated gutting expenses are subtracted.

For fish at sea at the balance sheet date with a round weight below 4 kg, the company considers the market for gutted fish at these weight categories to be not active. Further, the company considers fish with a round weight below 4 kg to not be commercially ready for harvest, i.e. immature. Hence, fair value for immature fish is calculated with the basis on market prices on mature fish. Immature fish at sea has a potential of growing to mature sizes, normally bringing the average production cost per kg below levels for immature fish. Further, gutting expenses per kg for mature fish are lower compared with immature fish. In the company's valuation of immature fish, these aspects are reflected.

TRADE RECEIVABLES
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within 'other operating expenses'.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents includes cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

SHARE CAPITAL
Ordinary shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

BORROWINGS
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

DEFERRED INCOME TAX
Deferred income tax is provided in full at nominal values, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

EMPLOYEE BENEFITS
Pension obligations
The group has only defined benefit plans. Typically, a defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Norwegian government bonds that are denominated in the currency in which the benefits will be paid and that has terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In such case, the past-service costs are amortised on a straight-line basis over the vesting period.

Share-based compensation
The Group operates a limited share-based management compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The Black and Scholes option pricing models is used for valuation.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Termination benefits
Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility

GROUP **NOTES TO THE ACCOUNTS**

2. Accounting principles (cont.)

of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

Profit-sharing and bonus plans
The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

PROVISIONS
Provisions (e.g. environmental restoration, restructuring costs and legal claims) are recognised when:
- the group has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation;
- the amount has been reliably estimated.

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

REVENUE RECOGNITION
Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminated sales within the group. Revenue is recognised as follows:

Sales of goods
Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables are reasonably assured. The sales income is recognised when the risks and rewards related to the goods have been transferred to the customer.

Harvestable biological assets
Changes in fair value of biomass is recognized in the income statement. This fair value adjustment is reported on a separate line; "fair value adjustment biomass".

Interest income
Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Dividend income
Dividend income is recognised when the right to receive payment is established.

LEASES
Finance leases
Leases, or other arrangements as described in IFRIC 4, relating to property, plant and equipment where the group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful lives of the asset or the lease term.

Operating leases
Leases, or other arrangements as described in IFRIC 4, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

DIVIDEND DISTRIBUTION
Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements when the dividends are approved by the company's shareholders.

BORROWING COSTS
Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

CONTINGENT ASSETS AND LIABILITIES
Contingent liabilities are defined as:
(i) possible obligations resulting from past events whose existence depends on future events
(ii) obligations that are not recognised because it is not probable that they will lead to an outflow of resources
(iii) obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the annual financial statements apart from contingent liabilities which are acquired through the acquisition of an entity. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

Contingent liabilities acquired upon the purchase of operations are recognised at fair value even if the liability is not probable. The assessment of probability and fair value is subject to constant review. Changes in the fair value are recognised in the income statement.

A contingent asset is not recognised in the financial statements, but is disclosed if there is a certain level of probability that a benefit will accrue to the group.

CASH FLOW STATEMENT
The group's cash flow statement shows the overall cash flow broken down to operating, investing and financing activities by using the indirect method. The cash flow statement illustrates the effect of the various activities on cash and cash equivalents. Cash flows resulting from the disposal of operations are presented under investing activities.

EARNINGS PER SHARE
Earnings per share is calculated by the profit attributable to equity holders of the company of the result for the period being divided by a time-weighted average of ordinary shares for the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares at December 31 2008.

GROUP **NOTES TO THE ACCOUNTS**

3. Financial risk management

FINANCIAL RISK FACTORS

The group is exposed to a range of financial risks: market risk (including currency risk, cash flow interest rate risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group uses to some degree derivative financial instruments to reduce certain risk exposures.

Risk management is carried out on a group level. The group identifies, evaluates and hedges financial risks in close co-operation with the group's operation units. The board has established written principles for risk management of foreign exchange risk, interest rate risk and use of derivative financial instruments.

Market risk
Foreign exchange risk
The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Canadian dollar, US dollar, Pound sterling and Euro. Foreign exchange risk arises from future commercial transactions, net investments in foreign operations, recognised assets and liabilities. Furthermore foreign exchange risk arises from forward exchange rate contracts which do not qualify for hedge accounting.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, in the group use forward contracts.

The group has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

If NOK is strengthened by 10% against US dollar, Euro and Pound sterling on the balance-sheet date, we can expect the following effect:

- 10% against US dollar:

Long term loans: MNOK -24,5. Forward exchange rate contracts: MNOK -12.0. Cash: MNOK 3,1. The effects above result in a positive effect on profit before tax with a total of MNOK 33,4.

- **10% against Euro:**

Forward exchange rate contracts: MNOK -51.9. The effects above result in a positive effect on profit before tax with a total of MNOK 51,9.

- **10% against the Pound sterling:**

Long term loans: MNOK -27,3 and cash: MNOK -1,3. Equity effect when consolidating foreign subsidiaries: MNOK -6,7. The effects above result in a positive effect on profit before tax with a total of MNOK 28,6.

- 10% against Canadian dollar:

Equity effect when consolidating foreign subsidiaries:
MNOK -14,8

The opposite effect will be achieved if NOK is weakned by 10%.

Cash flow and fair value interest rate risk
As the group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates.
The group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowing of fixed rate is immaterial.
The group monitors its interest rate exposure on a dynamic basis. The group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same change in interest rate is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.
The result of the calculation on sensitivities returns the following expected values:
If interest is increased by 1,0 % on the long term borrowings as per 31.12.08, the effect will be an increase in financing costs of MNOK 15.7.

Price risk
The group is exposed to commodity price risk related to financial salmon price contracts. During 2008 and at the balance-sheet date, the contracts were immaterial. See note 17.

Credit risk
The group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Normally the company sells only based upon letters of credit or payments in advance for new customers. Credit insurances are being used when this is deemed appropriate. For customers with a reliable track record in the group, sales within certain agreed-upon levels are done without any security.
Accounts receivables in Norway and Canada TNOK 56.7 are made up of customers with an appropriate credit history. Accounts receivables in the UK TNOK 55.2 consists of 86 % credit insured customers and the rest is to customers with an appropriate credit history.

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the group aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the groups's liquidity reserve (comprises undrawn credit facilities (note 28) and cash and cash equivalents (note 21)) on the basis of expected cash flow. This is generally carried out at group level in cooperation with the operating companies.

Grieg Seafood entered into a corporate financing agreement in January 2008 to refinance borrowings and secure financing of the organic growth plan (note 28). The group was in breach with covenants as per December 31, 2008, but received a waiver in 2009. Management has been working with both increasing the borrowings, issue of subordinated convertible bonds and some changes to the profile of payments for the borrowings to strengthen the finance situation. See note 8 fore more information.

Note 28 show payment profile on non-current liabilities. The nominal value of exchange rate contracts are MNOK 116.1. All contracts fall due in 2009.

FAIR VALUE ESTIMATION

(i) The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses different methods and makes assumptions that are based on market conditions existing at each balance sheet date. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates on the balance sheet date. The fair value of financial salmon contracts is determined using quoted forward prices by Fish Pool.

(ii) The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is assumed to be close to the booked value, as they nearly all carry a floating interest rate.

(iii) Fish at sea are valuated at an estimated fair value. The result is that the value of biological inventories will probably vary more than the value of inventory based on cost. The fair value varies due to several reasons including volatility in pricing of Atlantic salmon and factors of production, unpredictability in biological production and changes in the composition of inventories.

A sensitivity analysis of the prices of Atlantic salmon and trout at 31.12.08, shows the following impact on the Group's result before tax: (MNOK)

Price reduction	NOK 1	NOK 2	NOK 5
Reduced result before tax	-19.88	-39.9	- 99.69

GROUP **NOTES TO THE ACCOUNTS**

4. Critical accounting estimates and judgements and the board's guidelines

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of goodwill and licences
The group tests annually whether goodwill and licences with indefinite lives have suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates and are further described in note 19.

Fish farming licences
The value of fish farming licences are affected by the same factors as the biological assets, but the interest rate level and discount rate, long-term growth in demand, competitive situation and behavior, strength of the production link in the value chain and thereby the expectations concerning long-term profit margins, are also significant. The different parameters may have different significance for the licence values over time. Changes in these important assumptions will cause corresponding impairments, or reversals of impairments, of the licence values, in accordance with the accounting policy stated in note 2.

Biological assets
The fair value assessment of biological assets includes several estimates. For both commercially harvestable fish and immature fish average market prices for week 1 and 2 in 2008 are used. These market prices usually fluctuate significantly during the growth period of the fish.

Further, for immature fish, the fair value calculation includes estimates of production cost per kg, expected gutting expenses, quality and freight expenses. All these estimates are burdened with uncertainty.

Accounts receivables
Accounting for receivables requires use of judgmental estimates for quantification of provisions for bad debt. Provisions are being made when, e.g. balances are falling due or a material worsening of the customer's financial situation occurs, given that repayment of the balances are considered uncertain.

Income taxes
The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period during which such determinations are made.

5. Board's guidelines and principles for salaries and remunerations

The board's guidelines and principles for the stipulation of salaries and other remunerations to key employees.

In accordance with the provisions of the Public Limited Companies Act, the board of directors has prepared the following declaration of guidelines and main principles for the stipulation of salaries and other remunerations for key employees.

Grieg Seafood Group ASA's remuneration policy will continue to be based on the principle that Grieg Seafood Group should offer employees a compensation package that is competitive and in accordance with good industry standards locally. Where appropriate, this could include an incentive element and base pay should reflect individual performance.

The components of remuneration will be a base salary and other remunerations. In this regard, a remuneration will consist of a company car or a car allowance, telephone and electronic communication, newspapers and similar benefits.

The CEO is part of a group life assurance and a group pension scheme ensuring pension corresponding to 66% of his salary. The management is covered by pension schemes.

The CEO is entitled to 18 month salary after termination of his position and 12 month salary under sickness leave. The CFO and COO are entitled to 9 months salary after termination or amendment of their positions / employment.

On 20 April 2007, the general meeting approved principles for a share option programme for the management and key employees with a total scope of 1,400,000 options. No options have yet been vested.

On 20 April 2007, the general meeting resolved that the scope for the board of directors fee for the 2007 working period should be as described above based on the current composition for the board of directors. No loans or guarantees have been provided to the board of directors, key employees, other employees or their related parties. There are no shareholder agreements.

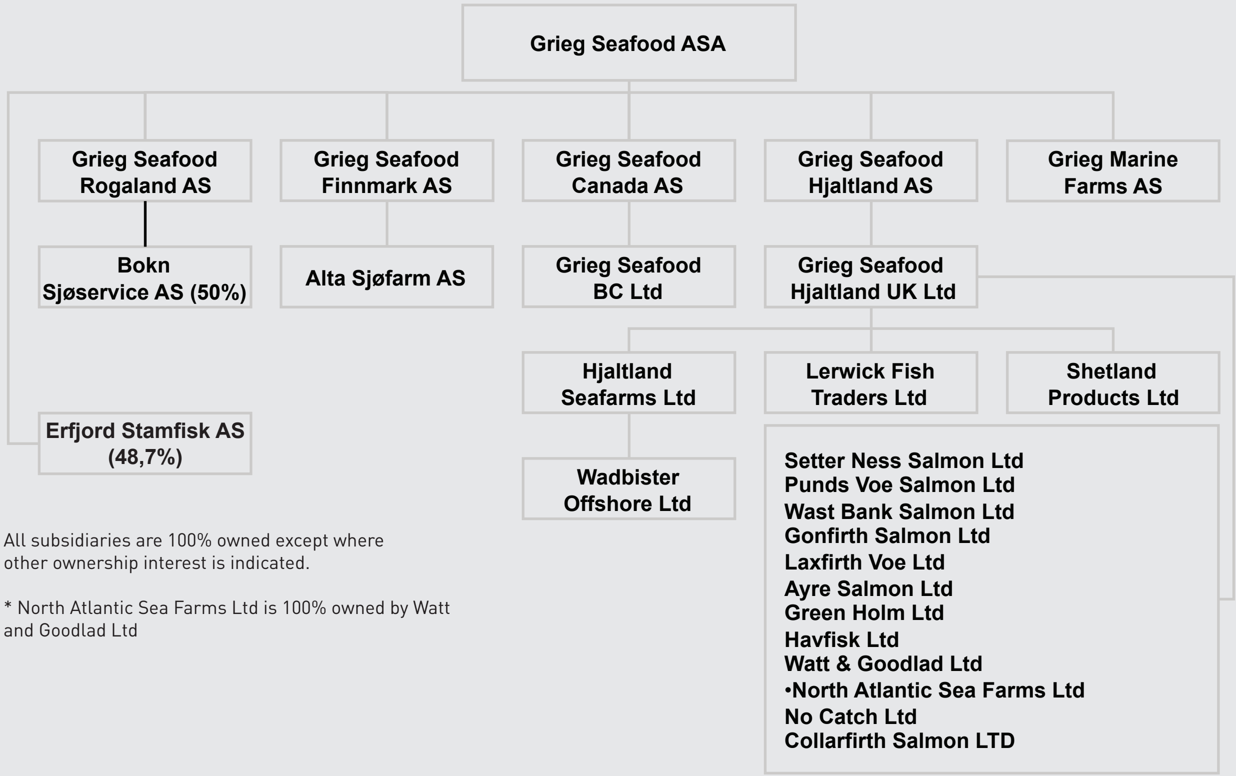
For information about remunerations to the company's officers, see note 11.

GROUP **NOTES TO THE ACCOUNTS**

6. Group companies

The consolidated financial statements include Grieg Seafood ASA and the following subsidiaries:

COMPANY	Country	Parent company	Ownership %
Grieg Seafood Rogaland AS	Norway	Grieg Seafood ASA	100%
Grieg Marine Farms AS	Norway	Grieg Seafood ASA	100%
Grieg Seafood Finnmark AS	Norway	Grieg Seafood ASA	100%
Alta Sjøfarm AS	Norway	Grieg Seafood Finnmark AS	100%
Grieg Seafood Canada AS (Tertnes Trading)	Norway	Grieg Seafood ASA	100%
Grieg Seafood B.C. Ltd	Canada	Grieg Seafood Canada AS	100%
Grieg Seafood Hjaltland AS	Norway	Grieg Seafood ASA	100%
Grieg Seafood Hjaltland UK Ltd	UK	Grieg Seafood Hjaltland UK AS	100%
Hjaltland Seafarms Ltd	UK	Grieg Seafood Hjaltland Ltd	100%
Wadbister Offshore Ltd	UK	Hjaltland Seafarms Ltd	100%
Lerwick Fish Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Shetland Products Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Setter Ness Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Punds Voe Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Wast Bank Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Gonfirth Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Laxfirth Voe Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Ayre Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Green Holm Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Havfisk Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100%
Watt & Goodlad Ltd	UK	Hjaltland Seafarms Ltd	100%
North Atlantic Sea Farms Ltd	UK	Watt & Goodlad Ltd	100%
Collarfirth Salmon Ltd	UK	Hjaltland Seafarms Ltd	100%
No Catch Ltd	UK	Hjaltland Seafarms Ltd	100%



All subsidiaries are 100% owned except where other ownership interest is indicated.

* North Atlantic Sea Farms Ltd is 100% owned by Watt and Goodlad Ltd

7. Significant acquisitions and pro forma financial information

Target Marine Products Ltd was acquired on January 17, 2007. All the activities of the acquired company have continued after acquisition. Payment for the acquisition was made in cash in the amount of TNOK 110.293 (TCAD 20.019). The acquisition includes conditional payments where it is likely that such payments will occur. The acquisition cost also includes expenses to financial and legal advisors in the amount of TNOK 374. The preliminary purchase price analysis has allocated excess values to both tangible, intangible and biological assets. The book value was considered the best estimate of fair value for liabilities. Furthermore, it is emphasised that deferred tax is entered at nominal value for excess value related to licenses. The company had 8 farming licenses for salmon.

Hjaltland Seafarms AS was acquired on June 6, 2007. All the activities of the acquired company have continued after acquisition. Payment for the acquisition was made in cash in the amount of TNOK 475.276. The Acquisition includes conditional payments where it is likely that such payments will occur.
The acquisition cost also includes expenses to financial and legal advisors in the amount of TNOK 4.223. The purchase price analysis has allocated excess values to both tangible and intangible assets. The book value was considered the best estimate of fair value for liabilities. Furthermore, it is emphasised that deferred tax is entered at nominal value for excess value related to licenses. The company had 31 farming licenses, of which 24 were in operation. From the first price analyses in 2007 there has been a change in allocation of excess value from goodwill to other intangibles as a value to the customer relationships at Grieg Seafood Hjaltland AS. The depreciations of excess value of sales office is 6 year.

North Atlantic Seafarms Ltd, Havfisk Ltd and Watt and Goodlad Ltd were acquired on June 22, 2007. All the activities of the acquired company have continued after acquisition. Payment for the acquisition was made in cash in the amount of TGBP 1 621. The purchased companies have in total 4 salmon farming licenses. Because of the relatively small size of the businesses acquired, the price analysis is not shown and pro forma figures have not been prepared with respect to this acquisition.

On April 9, 2008 Grieg Seafood Hjaltland Ltd acquired shares from the Joint Administrators of No Catch Limited. Payment was made in cash in the amount of MGBP 2.4. In May 21, 2008 Grieg Seafood Hjaltland Ltd acquired shares in Collafirth Salmon Ltd. The payment for the acquisitions was made in cash in the amount of TGBP 995. The purchase price analysis has allocated excess values to intangible assets. The book value was considered the best estimate of fair values for liabilities. Furthermore, it is emphasised that deferred tax is interred at nominal value for excess value related to licenses. No Catch Ltd has 7 farm licenses, and Collafirth Salmon Ltd has 3 farm licenses.

7. Significant acquisitions and pro forma financial information (cont.)

The group's acquisition of operations	Acquisition date	Owner share	Excess value goodwill	Excess values intangibles	Excess values tangible assets	Excess values biological assets	Deferred tax on excess values	Book value of equity at acquisition date	Acquisition cost
2006									
Grieg Seafood Finnmark AS	01.11.2006	100%	89 603	214 580	23 722	-	-66 724	139 063	400 244
Acquisition cost 31.12.2006			**89 603**	**214 580**	**23 722**	**-**	**-66 724**	**139 063**	**400 244**
2007									
Target Marine Products LTD	17.01.2007	100%	199	55 093	3 867	11 922	-29 371	68 583	110 293
Grieg Seafood Hjlatland AS	05.06.2007	100%	30 485	141 751	41 816	-	-55 070	316 143	475 125
North Atlantic Seafarms Ltd Group	22.06.2007	100%		23 527	7 826	-5 223	-5 370	-1 582	19 179
Acquisition cost 31.12.2007			**120 287**	**434 951**	**77 231**	**6 699**	**-156 535**	**522 207**	**1 004 841**
2008									
Grieg Seafood Hjlatland AS adjustment			-5 516	7 880	-	-	-2 364	-	-
No Catch Ltd (in administration)	09.04.2008	100%	-	33 075	-	-	-9 261	-	23 814
Collafirth Salmon Ltd	21.05.2008	100%	-	13 548	-	-	-3 794	-	9 755
Acquisition cost 31.12.2008			**114 771**	**489 453**	**77 231**	**6 699**	**-171 953**	**522 207**	**1 038 409**
Depreciations of excess value in 2006			-	-	593	-	166	-	-
Depreciations of excess value in 2007			-	-	7 217	-	2 094	-	-
Depreciations of excess value in 2008			-	2 079	11 918	6 699	2 523	-	-
Impairment of excess value in 2008 (GSF Finnmark AS)			89 603	72 385	16 012	-	24 751	-	-
Accumulated depreciations 31.12.08			**89 603**	**74 464**	**35 740**	**6 699**	**29 534**	**-**	**-**
Carrying value at 31.12.2008			**25 168**	**414 991**	**41 491**	**-**	**-142 419**	**-**	**-**

DEPRECIATIONS FOR THE YEAR

Depreciation period	0 - 6 year	3-15 year
Depreciation plan	straight line	straight line

Information about the impairment of excess value see note 19.

Company name	No Catch	Collarfirth	Total
Share of result for companies acquired in 2008	-	-	-

Regarding No Catch Ltd and Collafirth Salmon Ltd, the only activity is ownership of farm licenses. There are not any other activitities in either company. The share of result for the companies is 0.

PRO FORMA FINANCIAL INFORMATION

Pro forma financial information (income statement) illustrate the main effects that the acquisition of Grieg Seafood Hjaltland AS would had if the acquisition had been implemented with effect from January 1, 2007. The pro forma adjustment includes financial cost and depreciations of value added. Pro forma figures have not been prepared with respect to acquisition because there are no activities in the acquired companies, other than owning farm licenses.

	2008 Actual	2007 Proforma
Sales revenue	1 487 503	1 215 128
Operating profit before fair value adjustment	-172 853	148 114
Profit for the year	-344 404	70 294

GROUP **NOTES TO THE ACCOUNTS**

7. Significant acquisitions and pro forma financial information (cont.)

COMPANY NAME	No Catch Ltd and Collafirth Salmon Ltd	
Assets	**Book value**	**Fair Value**
Goodwill*	-	-
Licenses	-	46 623
Property, plant and equipment	-	-
Total non-current assets	**-**	**46 623**
Inventories	-	-
Biological assets	-	-
Accounts receivable	-	-
Other receivables	-	-
Cash and cash equivalents	-	-
Total current assets	**-**	**-**
Total assets	**-**	**46 623**
Equity and liabilities	-	-
Share capital	-	-
Share premium and other reserves	-	-
Retained earnings	-	33 569
Minority interests	-	-
Total equity**	**-**	**33 569**
Deferred tax liabilities	-	13 054
Borrowings	-	-
Other non-current liabilities	-	-
Total non-current liabilities	-	13 054
Bank overdraft	-	-
Current portion of long term borrowings	-	-
Accounts payable	-	-
Tax payable	-	-
Accrued salary expense and public tax payable	-	-
Other current liabilities	-	-
Total current liabilities	**-**	**-**
Total liabilities	**-**	**13 054**
Total equity and liabilities	**-**	**46 623**

* Goodwill is a residual in the purchase price allocation

** Equity stated in the fair value column represent the acquisition cost on the date of purchase

GROUP **NOTES TO THE ACCOUNTS**

8. Events after balance sheet date

REFINANCING OF DEBT

In February 2009, Grieg Seafood established an agreement to extend credit facilities to finance already implemented growth plans during the following two years. The financial package consists of 100 MNOK in extended credit lines from the company's bank syndicate, as well as 36 MNOK in suspended instalments on existing term loans from the same syndicate. Furthermore, an extraordinary general meeting at Grieg Seafood approved the issue of subordinated convertible bonds in the value of 100 MNOK. The financial package also implies guarantees of 48 MNOK from the company's largest shareholder, Grieg Holdings AS, towards the bank syndicate. Part of the guarantee amount relates to rolling forward already due currency contracts at original rates.

As part of the financial package, the bank syndicate also waived those covenants which were in breach per 31 December 2008. Two of the covenants were waived until the end of 2009. At the same time, a profit based replacement covenant valid during 2009 has been established. Costs relating to breach of covenants amount to approx. 4 MNOK quarterly.

At the extraordinary general meeting February 13 2009, Grieg Holdings AS signed up for 59 bonds of MNOK 1 each, a total of MNOK 59, and Halde Invest AS signed up for 15 bonds of MNOK 1 each, a total of MNOK 15. The bonds can be converted into shares during the whole loan period, up to 30 days before the due date on 31.12.2010. The strike price is NOK 4 per share.

Long term debt as per 31 December 2008 is classified as current liabilities, since the company is in breach with some of the covenants at the balance-sheet date. The bank has waived the covenants in connection with the new financing agreement which was entered into in 2009.

ILA ON SHETLAND - SCALLOWAY

In 2009 it has been two course of events with ISA at two sites. The ISA virus has been found at on locations in the Scalloway area. These locations will be harvested in accordance to regulations from the Scottish authorities. There have not been any signs of clinical infection on these locations.
Following this, Grieg Seafood Hjaltland has only one active site in the Scalloway area.

Grieg Seafood has cooperated closely with the Scottish authorities in their work to minimise and exterminate the ISA virus.

9. Income

Operating income comprises:	**2008**	**2007**
Sale of goods	1 470 585	1 000 026
Insurance settlement	6 444	21 785
Total sales revenue	**1 477 029**	**1 021 810**
Gain on sale of fixed assets	8 299	122
Gain on shares	-	41 721
Other operating income	2 175	4 699
Total other income	**10 474**	**46 542**
Total operating income	**1 487 503**	**1 068 352**

10. Segment information

Grieg Seafood ASA's primary format for reporting segment information is geographical segments that are based on location of assets. The group divides its activities into four geographical segments, Rogaland - Norway, Finnmark - Norway, BC - Canada and Shetland - UK. There is no difference between the group's geographical segment based on the location of assets and location of customers.
The group's secondary format for reporting segment information is business segment. The group has only one business segment, production of farmed salmon and trout.

Geographical segments	Norway Rogaland		Norway Finnmark		Canada BC		UK Shetland		Other/Eliminations		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
External operating revenues	104 427	301 001	427 251	193 373	524 554	272 286	420 662	270 525	135	-15 375	1 477 029	1 021 810
Internal operating revenues	68 291	-	-	-	-	-	-	-	-68 291	-	-	-
Total operating revenues	**172 718**	**301 001**	**427 251**	**193 373**	**524 554**	**272 286**	**420 662**	**270 525**	**-68 156**	**-15 375**	**1 477 029**	**1 021 810**
Other income	8 606	418	1 035	3 117	-	219	-	-	833	42 789	10 474	46 542
Operating expenses before depreciation	168 960	253 302	397 548	185 250	431 859	208 186	412 191	230 103	-60 766	-3 466	1 349 834	873 376
Operating profit before depreciation	**12 364**	**48 117**	**30 738**	**11 240**	**92 695**	**64 319**	**8 471**	**40 422**	**-6 557**	**30 880**	**137 669**	**194 976**
Depreciation and amortisation	28 336	20 303	219 030	15 055	36 818	26 147	24 945	11 782	1 393	354	310 522	73 641
Operating profit before fair value adjustment	**-15 972**	**27 814**	**-188 292**	**-3 815**	**55 877**	**38 172**	**-16 474**	**28 640**	**-7 950**	**30 526**	**-172 853**	**121 335**
Fair value adjustment of biological assets	-7 257	-3 761	6 924	5 493	-26 511	-48 195	-8 903	2 388	-	-	-35 747	-44 075
Operating profit	**-23 229**	**24 053**	**-181 368**	**1 678**	**29 366**	**-10 023**	**-25 377**	**31 028**	**-7 950**	**30 526**	**-208 600**	**77 260**
Profit from associated companies	-	-	-	-	-	-	-	-	700	-1 897	700	-1 897
Assets (excluding associates)	590 900	479 460	684 767	881 522	674 405	652 380	994 557	956 347	398 511	-5 509	3 083 152	2 964 200
Associates	-	-	-	-	-	-	-	-	11 579	10 879	11 579	10 879
Consolidated total assets	**590 900**	**479 460**	**684 767**	**881 522**	**674 405**	**652 380**	**994 557**	**956 347**	**410 090**	**5 370**	**3 094 731**	**2 975 079**
Liabilities	422 829	316 408	610 640	479 543	486 667	472 942	553 008	475 597	92 984	-35 495	2 166 128	1 708 996
Consolidated total liabilities	**422 829**	**316 408**	**610 640**	**479 543**	**486 667**	**472 942**	**553 008**	**475 597**	**92 984**	**-35 495**	**2 166 128**	**1 708 996**
Cash flow operations	-81 209	78 333	7 766	-34 304	65 431	1 770	61 151	-50 756	24 794	-32 290	77 933	-37 247
Cash flow investment	17 466	-75 422	-104 120	-63 431	-55 571	-174 773	-77 415	-54 378	-101 483	-430 182	-321 123	-798 186
Cash flow financing	66 508	-2 778	105 312	94 974	11 822	174 268	17 037	107 177	86 297	310 815	286 976	847 059
Investments in tangible and intangible assets	48 211	76 064	-104 120	69 372	60 885	65 356	94 721	28 140	-97	2 754	307 840	241 686

11. Payroll, fees, no. of employees etc.

	2008	2007
Wages and salaries	146 337	111 204
Social security costs	9 985	8 026
Share options granted to directors and employees	2 178	3 615
Pension costs - defined contribution plans	873	1 000
Pension costs - defined benefit plans	1 356	556
Other personnel costs	4 418	18 845
Total	**165 148**	**136 246**
Average number of employees	445	329

* Share options granted to directors and employees, see note 12.
Pension costs are described in detail in note 29.
The board's guidelines and principles for the stipulations of salaries and other remunerations to the key employees, see described in detail in note 5.

Accumulated expenses for wages, pension premiums and other remuneration to managing director, other group executives and members of the parent company's board accordingly for 2008 were:

REMUNERATIONS TO THE COMPANY'S OFFICERS 2008 IN NOK	Salary	Bonus	Pension premiums	Other remuneration	Total
Per Grieg Jr. (CEO) until 01.08.2008	898 544	-	169 757	73 365	1 141 666
Morten Vike (CEO) from 01.08.2008	833 335	-	40 715	77 548	951 598
Ivar Kvangardsnes (COO)	1 245 976	-	103 547	77 827	1 427 350
Eirik Bloch Haugland (CFO)	1 052 863	-	170 886	26 418	1 250 167
Members of the board					
Helge Nielsen	300 000	-	-	941	300 941
Harald Volden	200 000	-	-	6 279	206 279
Terje Ramm	150 000	-	-	374	150 374
Anne-Grete Ellingsen	150 000	-	-	990	150 990
Siri Hamnvik	150 000	-	-	-	150 000

Remuneration to the board was TNOK 958

REMUNERATIONS TO THE COMPANY'S OFFICERS 2007 IN NOK	Salary	Bonus	Pension premiums	Other remuneration	Total
Per Grieg Jr. (CEO)	1 172 811	480000	150 059	31 369	1 834 239
Ivar Kvangardsnes (EVP)	947 654	-	87 556	17 210	1 052 420
Eirik Bloch Haugland (CFO)	899 981	260 000	156 892	34 471	1 351 344
Members of the board					
Helge Nielsen	350 000	-	-	640	350 640
Harald Volden	250 000	-	-	2 385	252 385
Terje Ramm	200 000	-	-	585	200 585
Anne-Grete Ellingsen	200 000	-	-	-	200 000
Siri Hamnvik	200 000	-	-	-	200 000

Remuneration to the board was TNOK 1.200

SPECIFICATION OF AUDITOR'S FEE	2008	2007
Audit fees		
Group auditor	1 594	1 117
Other auditors	673	518
Other assurance services		
Group auditor	14	398
Other auditors	-	-
Tax advice		
Group auditor	50	99
Other auditors	304	196
Other services		
Group auditor*	1 104	3 552
Other auditors	69	278
Total group auditor	**2 763**	**5 166**
Total other auditors	**1 046**	**992**
Total	**3 809**	**6 158**

* Fees for other services in 2007 include assistance related to the IPO and services related to M&A of approximately TNOK 2,850. The rest was regarding the technical assistant.

12. Share based payments

The company has issued options to the management group and regional managers. It has issued options several times. The share price that the options can be vested to is the stock market price at issuing date, increasing by 0,5% per month until vesting date. The options were granted on 29.06.2007 with an expiry date on 29.06.2010.

The vesting date on 50% of the options is 29.06.08, and for the remaining 50% on 29.06.09. On 01.06.2008 options were issued to Morten Vike (CEO) with expiry date on 27.02.2012. The options can be vested as of 27.02.2011. Per Grieg jr. resigned from options as of 01.06.2008.

The table below illustrates the movement in outstanding options throughout 2008.

	Outstanding options 31.12.2007	Granted options	Vested options	Terminated options	Expired options	Outstanding options 31.12.2008
Per Grieg jr. (CEO until 01.08.2008)	300 000	-	-	300 000	-	-
Morten Vike (CEO from 01.08.2008)	-	300 000	-	-	-	300 000
Ivar Kvangardsnes (COO)	200 000	-	-	-	-	200 000
Eirik Bloch Haugland (CFO)	200 000	-	-	-	-	200 000
Others	700 000	-	-	-	-	700 000
Total	**1 400 000**	**300 000**	**-**	**300 000**	**-**	**1 400 000**

	12.31.2008	12.31.2007
Options available for vesting	550 000	-
Weighted average remaining contractual life	1,86	2,51

Figures in NOK	Stock price when granting	Calculated value per option when granting	Calculated value when granting	Accrued cost 2008 *)	Accrued cost 2007 *)	Accumulated cost bookkept against equity per. 31.12.2008
Per Grieg jr. (CEO untill 01.08.2008)	-			-670 663	670 663	-
Morten Vike (CEO from 01.08.2008)	13,20	3,74	1 122 900	240 097	-	240 097
Ivar Kvangardsnes (COO)	23,00	5,86	1 172 520	581 892	447 109	1 029 001
Eirik Bloch Haugland (CFO)	23,00	5,86	1 172 520	581 892	447 109	1 029 001
Others	23,00	5,72	4 004 860	1 582 339	1 911 315	3 493 654
Total			**7 472 800**	**2 315 557**	**3 476 196**	**5 791 753**

*) The amounts are exclusive of employer's contribution. Employer's contribution is capitalised against the real value of the options.

The following model input has been applied	**2008**	**2007**
Estimated volatility (%)	36,01	35,80
Risk-free interest (%)	5,19	5,23
Estimated qualification period (years)	3,05	3,00

The estimated qualification period/lifetime for the options is based on historical data and does not necessarily provide indications for the future.
In order to estimate volatility, the management has applied historical volatility for comparable activities listed on the Stock Exchange.

There are no outstanding options with the right to cash settlement as of December 31, 2008. Outstanding options are terminated when the employment ends.

The total cost for share-based payment has been charged against the income statement in the consolidated accounts with a figure of TNOK 2 178 including employer's contribution in 2008 (the cost since issuing options is 5,792 TNOK, including employer's contribution) and classified as personnel expenses in the profit and loss account. The Black and Scholes option pricing models is used for valuation. A brokerage firm is used to carry out the calculations.

13. Financial instruments by category

31. DECEMBER 2008	Loans and receivables	Derivatives at fair value through the profit and loss	Available for sale	Total
The accounting policies for financial instruments have been applied to the line items below:				
Assets as per balance sheet				
Available-for-sale financial assets	-	-	178	178
Derivatives financial instruments	-	8 243	-	8 243
Trade and other reveivables	208 153	-	-	208 153
Loan to associated companies	2 410	-	-	2 410
Cash and cash equivalents	68 146	-	-	68 146
Total	**278 709**	**8 243**	**178**	**287 130**

Liabilities as per balance sheet	Other financial liabilities to amortised cost	Derivatives at fair value through the profit and loss		Total
Borrowings include revolving credit facility	1 326 111	-	-	1 326 111
Financial leasing liabilities	248 422	-	-	248 422
Accounts payable and other current / non-current liabilities exclusive decreed by law	244 271	-	-	244 271
Derivatives financial instruments		122 532		122 532
Total	**1 818 804**	**122 532**	**-**	**1 941 336**

31. DECEMBER 2007	Loans and receivables	Derivatives at fair value through the profit and loss	Available for sale	Total
The accounting policies for financial instruments have been applied to the line items below:				
Assets as per balance sheet				
Available-for-sale financial assets	-	-	156	156
Derivatives financial instruments	-	1 991	-	1 991
Trade and other receivables	206 737	-	-	206 737
Loan to associated companies	2 897	-	-	2 897
Cash and cash equivalents	24 318	-	-	24 318
Total	**233 952**	**1 991**	**156**	**236 099**

Liabilities as per balance sheet	Other financial liabilities to amortised cost	Derivatives at fair value through the profit and loss		Total
Borrowings include bank overdraft	987 425	-	-	987 425
Financial leasing liabilities	175 850	-	-	175 850
Accounts payable and other current / non-current liabilities exclusive decreed by law	242 037	-	-	242 037
Total	**1 405 312**	**-**	**-**	**1 405 312**

14. Financial income and expenses

	2008	2007
Income from related parties	170	807
Other interest income	4 597	2 355
Dividends	10	10
Changes in fair value from derivatives	11 416	-
Currency gains	7 533	22 426
Other financial income	13 481	890
Total financial income	**37 207**	**26 488**
Interest to related parties	-	1 841
Interest expense bank borrowings and leasing	111 118	56 097
Other interest expenses	41	5 843
Amortized cost	542	-
Changes in fair value from derivatives	122 533	-
Currency losses	35 212	546
Other financial expenses	1 726	1 488
Total financial expenses	**271 172**	**65 815**

15. Derivative

The forward foreign exchange contracts are classified as fair value through profit and loss, and respectively as a non-current asset or non-current liability. Changes in fair values are recorded in financial expenses or financial income. The contracts are both buy and sales contracts of foreign exchange against the Norwegian Krone. The positions at December 31 are booked to marked value. The nominal value of the forward foreign exchange contracts of December 31 is TNOK 116 123.
All contracts mature in 2009.

The group has financial salmon contracts. The concept of the financial salmon is that a buyer and a seller agree on a price and fixed volume for a future delivery.

	2008		2007	
	Assets	Liabilities	Assets	Liabilities
Financial salmon contract to fair value	379	-	342	-50
Forward foreign exchange contract to fair value	7 864	-122 532	1 649	
Total	**8 243**	**-122 532**	**1 991**	**-50**
Less non-current portion	-	-	-	-
Current portion	**8 243**	**-122 532**	**1 991**	**-50**

16. Investments in associated companies

ASSOCIATED COMPANIES	Share capital	Booked equity	Equity interest	Voting share
Erfjord Stamfisk AS	616	15 119	48,70%	48,70%
Bokn Sjøservice AS	1 000	5 656	50,00%	50,00%

31.12.2008 OVERVIEW OF BALANCE SHEET VALUE	Tustna Marine Farms	Erfjord Stamfisk	Bokn Sjøservice	Total
Share of fair value associate's identifiable net assets at acquisition	6 045	2 984	506	9 535
Disposal at historic cost	-6 045	-	-	-6 045
Excess value recorded as identifiable assets	-	4 926	-	4 926
Excess value recognized as goodwill	-	-	-	-
Historical cost 31.12.2008	**-**	**7 910**	**506**	**8 416**
Profit for the year	-	860	240	1 100
Depreciation excess value identifiable assets	-	-400	-	-400
Share of profit for the year and write down receivables	-	460	240	700
Book value 01.01.2008	-	7 952	2 927	10 879
Share of profit for the year	-	460	240	700
Book value 31.12.2008	**-**	**8 412**	**3 167**	**11 579**
Excess value goodwill	-	-	-	-
Excess value identifiable assets	-	608	-	608
Excess value 31.12.2008	**-**	**608**	**-**	**608**

The companies follow the same financial year as the group. In 2008, the companies had a revenue of TNOK 83.024 and a net result of TNOK 2.364. The book value of total assets at 31.12.08 was TNOK 69 207 and book value of liabilities at 31.12.08 were TNOK 47 520. The book value of equity amounted to TNOK 21.687.

The shares in Tustna Marine Farms AS were converted to shares in Grieg Cod Farming AS in 2008. There is no profit or loss in connection with the sale.

GROUP **NOTES TO THE ACCOUNTS**

17. Earnings per share and dividend per share

BASIS FOR CALCULATION OF EARNINGS PER SHARE	2008	2007
The year's earnings (majority share) from continuing operations	-344 404	51 420
No. of shares at the balance sheet date	76 512 000	76 512 000
Average no. of shares	76 512 000	64 369 778
Adjustment for effect of share options (see detail in note 12) *)	-	-
Average no. of shares by dilution	76 512 000	64 369 778
Earnings per share	**-4,50**	**0,80**
Diluted earnings per share	-4,50	0,80
Earnings per share discontinued operations	0,00	0,00
Dividend per share	**0,00**	**0,00**

*) The share options do not have a dilutive effect owing to the fact that the exercise price of the options exceeds the average market price of ordinary shares during the period.

18. Available for sale financial assets

COMPANY	Business location	Number of shares	Ownership/ voting share	Acquisition cost	Fair value
Grieg Cod Farming AS	Bergen	787 055	0,90 %	1 282	0
FruMar AS	Stavanger	4 823 70	15,4 %	4 824	0
Finnøy Næringspark AS	Finnøy	103 000	7,1 %	103	103
Aqua Gen AS	Kyrksæterøra	3 200	< 1 %	23	23
Other				52	52
Total non-current				**6 284**	**178**

GROUP **NOTES TO THE ACCOUNTS**

19. Intangible assets

2007	Goodwill	Licenses fish farming indefinite lives	Licenses fishfarming definite lives	Other intangible assets	Total 2007
Per 01.01.					
Acquisition cost	131 217	350 074	119 926	-	601 217
Accumulated amortisation	-25 661	-	-24 883	-	-50 544
Balance sheet value at 01.01.	**105 556**	**350 074**	**95 043**	**-**	**550 673**
Balance sheet value at 01.01.	105 556	350 074	95 043	-	550 673
Currency translation differences value at 01.01	40	682	714	-	1 435
Acquisitions through business combinations	30 684	404 569	-	-	435 253
Currency translation differences acquisition	2 382	-253	-	-	2 129
Intangible fixed assets acquired	-	165	-	-	165
Intangible fixed assets sold	-	-	-	-	-
Amortisation	-	-	-1 155	-	-1 155
Change in classification due to new information	-	66 909	-66 909	-	-
Balance sheet value at 31.12.	**138 661**	**822 146**	**27 692**	**-**	**988 499**
Per 31.12.					
Acquisition cost	164 322	822 146	53 731	-	1 040 198
Accumulated amortisation	-25 661	-	-26 039	-	-51 700
Balance sheet value at 31.12.	**138 661**	**822 146**	**27 692**	**-**	**988 499**

2008	Goodwill	Licenses fish farming indefinite lives	Licenses fish farming definite lives	Other intangible assets	Total 2008
Balance sheet value at 01.01.	138 661	822 146	27 693	-	988 499
Currency translation differences value at 01.01.	74	-397	1 120	-	797
Acquisitions through business combinations	-	46 623	-	-	46 623
Currency translation differences acquisition	-	3 659	-	-	3 659
Intangible fixed assets acquired	-	1 194	-	1 454	2 648
Amortisation	-	-1 199	-1 115	-2 064	-4 378
Currency translation differences depreciation	-	3 286	1 297	-	4 583
Impairment	-89 603	-72 385	-	-	-161 988
Change in classification due to new information	-5 516	-	-	8 815	3 299
Balance sheet value at 31.12.	**43 616**	**802 927**	**28 995**	**8 205**	**883 743**
Per 31.12.					
Acquisition cost	156 516	873 224	54 851	11 094	1 095 685
Accumulated amortisation	-23 297	2 087	-25 856	-2 889	-49 955
Accumulated impairment	-89 603	-72 385	-	-	-161 988
Balance sheet value at 31.12.	**43 616**	**802 926**	**28 995**	**8 205**	**883 742**

19. Intangible assets (cont.)

IMPAIRMENT TEST FOR GOODWILL AND LICENSES

Goodwill and licenses have been impaired in 2008.
Goodwill and licenses with indefinite economic life are subject to an annual impairment tests. Impairment tests are performed more frequently if indications of a drop in value exist. Licenses with definite useful lives are tested for impairment only if indications of value reduction exists. Estimated value in use is used as basis when calculating the recoverable amount. Impairment occurs when the carrying value is higher than the recoverable amount.

Cash generating unit	Location	Book value of related goodwill	Book value of licenses	Total
BC - Canada	Canada	9 987	153 182	163 169
Finnmark	Norway	0	183 865	183 865
Shetland - UK	UK	24 969	451 529	476 498
Rogaland	Norway	8 660	95 073	103 733
Total value		**43 616**	**831 921**	**927 265**

Goodwill relates to acquisition of the subsidiary companies. Goodwill is allocated to the group's cash-generating units (CGU's) identified according to operating segment. An annual impairment test for goodwill and licenses has been carried out. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a two to five year period. Cash flows beyond the two to five year period are extrapolated using the estimated nominal growth rates stated below. Estimated growth rate correspond with expected inflation.

The key assumptions used for value-in-use calculations are as follows

Unit	BC - Canada	Finnmark	Shetland - UK	Rogaland
Budget period	3 years	5 years	2 years	4 years
Ebitda margin 1)	18% - 25%	12% - 20%	23% -24%	5% -21%
Harvest growth - tons 2)	5%	72%	29%	84%
Discount rate 3)	13,71	13,53	13,33	13,6
Growth rate 4)	2,5 %	2,5 %	2,5 %	2,5 %

1) Budget Ebitda margin. The margin varies in the budget period.
2) The growth rate of the harvested volume in the budget period.
3) After-tax discount rate applied to the cash flow projections.
4) Weighted average growth rate used to extrapolate cash flows beyond the budget period.

The budgeted EBITDA margin is based on past performance, expected cost of production and expectations of market development. The increased harvest volume is based on an increase in utilisation of existing production capacity. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

The 2008 harvest volume in Rogaland is strongly affected by the disease situation (2007-2008) caused by PD. The PD outbreak in August 2007, followed by several more outbreaks, caused heavy mortalities which reduced harvest volumes significantly in 2008. Hence, the growth of 84% (2008-2012) is mostly a recovery of production back to normal levels and, to some extent, an organic growth on production volumes up to licence capacity limits.

The Finnmark region has proved able to deliver high returns. However, as a consequence of very rapid production growth on several new locations, we applied a best estimate of the operating margin in the cash flow estimate which reflects a conservative cost of production development.
The impairment assessment for Finnmark has resulted in a write-down of 200 MNOK per 31.12.2008 on assets.

Allocations of the write-down is:	
Goodwill	89 603
Licenses	72 385
Property, plant and equipment	38 012
Total	**200 000**

Value in use is sensitive to changes in the assumptions made. The most important are discount rate, harvest volume and EBTIDA. With the exception of Grieg Seafood Finnmark, the following changes will not require impairment to be made. The sensitivity analysis only includes the budget period, and not the terminal value.

Need for impairment (TNOK)

Assumption	Change	BC - Canada	Finnmark	Shetland - UK	Rogaland
WACC	1% point	-	17 537	-	-
Sales volume	- 10%	-	37 367	-	-
EBITDA	- 10%	-	16 441	-	-
Sales price	- 10%	-	178 925	-	33 944

The figures above represent impairment beyond the impairment already made.
Market prices have been conservatively budgeted at or below external consensus levels. With the current market balance in the salmon market, it is more likely with a positive deviation than a negative deviation in market prices.

20. Tangible fixed assets

	Buildings/property	Plant, equipment and other fixtures	Vessels/barges	Total
2007				
Per 01.01.				
Acquisition cost	97 913	339 744	84 132	521 789
Accumulated depreciation	-24 276	-171 769	-25 115	-221 159
Accumulated impairment	-	-	-	-
Balance sheet value at 01.01.	**73 637**	**167 975**	**59 017**	**300 629**
Balance sheet value at 01.01.	73 638	167 975	59 017	300 630
Currency translation differences value at 01.01.	-2 400	-2 487	-2 633	-7 520
Acquisitions through business combinations	40 550	87 875	36 958	165 383
Tangible fixed assets acquired	43 250	164 821	47 538	255 609
Tangible fixed assets sold	-	-3 750	-	-3 750
Depreciation	-5 007	-55 425	-12 054	-72 486
Currency translation differences depreciation	68	911	248	1 228
Balance sheet value at 31.12.	**150 100**	**359 920**	**129 074**	**639 094**
Per 31.12.				
Acquisition cost	179 313	574 714	165 438	919 465
Accumulated depreciation	-29 215	-214 794	-36 363	-280 372
Accumulated impairment	-	-	-	-
Balance sheet value at 31.12.	**150 099**	**359 920**	**129 075**	**639 093**
Balance sheet value of financial lease included above	**477**	**106 049**	**72 733**	**179 259**
Depreciation on financial lease included above	**126**	**20 961**	**10 940**	**32 027**
2008				
Balance sheet value at 01.01.	150 099	359 920	129 075	639 093
Currency translation differences value at 01.01.	-1 400	426	-1 404	-2 378
Acquisitions through business combinations	-	-	-	-
Tangible fixed assets acquired	52 955	158 561	93 676	305 192
Tangible fixed assets sold	-1 740	-172	-115	-3 027
Depreciation	-7 343	-75 662	-23 139	-106 144
Currency translation differences depreciation	108	188	1 027	1 323
Impairment	-14 040	-23 972	-	-38 012
Change in classification due to new information	-	-1 701	-	-1 701
Balance sheet value at 31.12.	**178 640**	**417 588**	**198 120**	**794 346**
Per 31.12.				
Acquisition cost	229 128	743 258	257 152	1 229 538
Accumulated depreciation	-36 450	-301 698	-59 032	-397 180
Accumulated impairment	-14 040	-23 972	-	-38 012
Balance sheet value at 31.12.	**178 638**	**417 588**	**198 120**	**794 346**
Balance sheet value of financial lease included above	**1 396**	**155 102**	**130 909**	**287 407**
Depreciation on financial lease included above	**1 118**	**77 166**	**30 650**	**108 934**

GROUP **NOTES TO THE ACCOUNTS**

21. Restricted bank deposits

Restricted deposits related to employees' tax deduction	5 472	2 443
Restricted deposits related to tax payable	-	-
Total	**5 472**	**2 443**

22. Inventories

GROUP:	2008	2007
Raw material (feed) at cost	44 592	34 927
TOTAL INVENTORIES	**44 592**	**34 927**
Write-down of inventories as of 31.12.	-	-
Write-down of inventories expensed	-	-

23. Biological assets

	Tons		NOK 1.000	
	2008	2007	2008	2007
Biological assets 01.01.	47 021	22 975	1 067 574	551 637
Currency translation	-	-	-10 596	-19 167
Increases due to purchases	1 221	525	130 667	56 437
Increases due to production	59 896	53 405	1 065 726	878 781
Increase due to company acquisitions	0	13 469	-	379 764
Decreases due to sales / harvesting / mortality	-63 849	-43 353	-1 146 408	-748 430
Fair value adjustment 01.01.	N/A	N/A	-126 312	-84 826
Fair value adjustments acquisitions	-	-	-	-74 170
Fair value adjustment 31.12.	N/A	N/A	92 690	127 548
Biological assets 31.12.	**44 289**	**47 021**	**1 073 341**	**1 067 574**

The accounting treatment of living fish by companies applying IFRS is regulated by IAS 41 Agriculture. The basic principle is that such assets shall be measured at fair value. Fair value of biological assets (fish in the sea) is based on market prices for gutted Atlantic salmon and trout at the balance sheet date. The price is adjusted for quality differences (superior, ordinary and process), together with the cost of logistics. The volume is adjusted for gutting loss. Fish in the sea with an average weight below 4 kg. are based on the same principles, but the price is adjusted in proportion to how far the growth cycle has progressed. The price is not adjusted lower than cost unless a loss on future sales is expected.

Biomass status 31.12.08	Number of fish (1 000)	Biomass (tons)	Cost of production	Fair value adjustment	Book value
Smolt	20 370	263	50 148	-	50 148
Biological assets with round weight < 4 kg	24 927	31 079	714 548	58 552	773 100
Biological assets with round weight > 4 kg	2 286	12 947	215 954	34 139	250 095
Total	**47 583**	**44 289**	**980 650**	**92 690**	**1 073 341**

Biomass status 31.12.07	Number of fish (1.000)	Biomass (tons)	Cost of production	Fair value adjustment*	Book value
Smolt	21900	143	40165	-	40 165
Biological assets with round weight < 4 kg	20 375	26 036	566 908	52 375	619 283
Biological assets with round weight > 4 kg	3 534	20 842	332 953	75 173	408 126
Total	**45 809**	**47 021**	**940 026**	**127 548**	**1 067 574**

* In 2007, remaining fair value adjustments of TNOK 16,464 from acquisition of Grieg Seafood Finnmark AS are included.

24. Accounts receivable

	2008	2007
Accounts receivable at nominal value	161 059	113 305
Provision for bad debts	-3 183	-1 412
Accounts receivable 31.12.	**157 876**	**111 893**
Change in provision for bad debts	1 771	-4 688
Realised bad debts	128	4 688
Recognised in the Income Statement	**1 899**	**-**

Accounts receivable that are less than three months past due are not considered impaired. As of 31 December 2008, accounts receivable of TNOK 116 876 (in 2007 TNOK 34 581) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of accounts receivable is as follows:

	2008	2007
Up to 3 months	92 550	34 419
Over 3 months	24 326	162
Total	**116 876**	**34 581**

As of 31 December 2008, accounts receivable of TNOK 3 183 (in 2007 TNOK 1 450) were impaired and provided for. The amount of the provision was TNOK 3 183 (in 2007 TNOK 1 412) as of 31 December 2008. The ageing of these receivables is as follows:

3 to 6 months	-	-
Over 6 months	3 183	1 450
Total	**3 183**	**1 450**

25. Other receivables

	2008	2007
Intragroup non-current receivables	-	-
Receivables on related parties	-	6 604
Other non-current receivables	1 790	3 671
Other non-current receivables 31.12.	**1 790**	**10 275**
Impairment losses expensed	7 050*	2 047

Other current receivables	**2008**	**2007**
VAT receivables etc.	12 623	24 462
Pre-paid expenses	2 616	8 756
Insurance claims	3 193	16 782
Other accrual of income	6 581	7 921
Receivables on related parties	12 153	1 015
Claims due to purchase of shares	-	10 000
Other current receivables	11 322	13 642
Other current receivables 31.12.	**48 488**	**82 578**

*Impairment losses associated to Grieg Cod Juveniles AS

26. Tax

SPECIFICATION OF THE TAX EXPENSE	2008	2007
Tax payable Norway	-	-
Tax payable abroad	-6 088	2 306
Tax paid not accrued last year	2 737	
Change in deferred tax Norway	-51 782	-2 816
Change in deferred tax abroad	-42 328	-15 655
Taxes	**-97 461**	**-16 165**

TAX RECONCILIATION		
Profit before tax	-441 865	36 037
Taxes calculated with the nominal tax rate	-123 795	9 333
Permanent difference on sale of shares	714	-11 645
Other permanent differences	25 620	-13 853
Taxes	**-97 461**	**-16 165**

CHANGE IN BOOK VALUE OF DEFERRED TAX		
Balance sheet value at 01.01.	281 297	206 568
Currency conversion	2 420	1 158
Effect of business combinations	15 419	104 510
Effect of equity transactions	-	-9 196
Other effects	-1 994	-3 276
Charged to income in the period	-94 110	-18 471
Balance sheet value	**207 020**	**281 294**

Weighted average tax rate

In 2008 the nominal tax rate in Norway and UK was 28% and 30% in Canada. The weighted average nominal tax rate in 2008 was 28,02%

The tables below show the composition of deferred tax. The tax effects of taxable and deductible temporary differences are shown separately. Deferred tax and deferred tax asset are offset. Both the Norwegian, Canadian and UK part of the Group, have a net deferred tax position. Deferred tax and deferred tax asset within Norway, Canada and UK can be set off.

26. Tax (cont.)

DEFERRED TAX	Licenses	Fixed assets	Biological assets	Receiv-ables	Inventory	Deferred capital gain	Current liabilities	Total
2007								
Opening balance 01.01.	79 220	18 802	114 852	-	32 619	5 275	1 899	252 668
Booked to income in the period	-709	15 925	47 601	-	-29 818	-1 055	776	32 719
Currency translation differences	337	230	893	-	502	-	61	2 024
Effect of business combinations	51 591	15 467	38 914	-	1 102	-	-	107 074
31.12.	**130 440**	**50 424**	**202 260**		**4 405**	**4 220**	**2 736**	**394 486**
2008								
Booked to income in the period	-21 116	-23 012	36 210	-	92	1 093	-30 068	-36 800
Currency translation differences	85	-2	2 764	-	203	-	442	3 492
Effect of business combinations	18 424	1 284	-	-	-	-	-	19 708
31.12.	**127 833**	**28 694**	**241 234**	**-**	**4 700**	**5 314**	**-26 889**	**380 884**

DEFERRED TAX ASSET	Loss carry forwards	Fixed assets	Pensions	Receivables	Leasing obligations	Tax Credits	Current liabilities	Total
2007								
Opening balance 01.01.	-29 042	-	-754	-1 708	-14 711	-	-	-46 215
Booked to income in the period	-23 625	-	81	739	-11 754	-17 225	-	-51 784
Currency translation differences	-144	-	-	-	-518	-203	-	-866
Other effects	-12 469	-	746	-	-	-	-	-11 723
Effect of business combinations	-2 600	-	-	-	-	-	-	-2 600
31.12.	**-67 881**		**73**	**-969**	**-26 983**	**-17 428**		**-113 188**
2008								
Booked to income in the period	-55 192	-	-34	-904	72	885	-	-55 173
Currency translation differences	-1 337	-	-	-	-1 186	-687	-	-3 209
Other effects	-2 121	-	-	-	-	-	-	-2 121
Effect of business combinations	-174	-	-	-	-	-	-	-174
31.12.	**-126 706**	**-**	**39**	**-1 872**	**-28 095**	**-17 230**	**-**	**-173 864**

	2008	2007
Net deferred tax	**207 020**	**281 294**

All deferred tax are non-current

GROUP **NOTES TO THE ACCOUNTS**

27. Share capital and shareholders

SHARE CAPITAL: As of December 31, 2008, the company has 76.512.000 shares at a nominal value of NOK 4 per share. None of these are owned by any group company.

Date of registration	Type of change	Change in share capital (TNOK)	Nominal value per share (NOK)	Total share capital (TNOK)	No. of ordinary shares
01.01.2007			1 000,00	184 848	184 848
19.02.2007	Share split	-	4,00	184 848	46 212 000
31.05.2007	Increase of share capital by cash contribution	104 000	4,00	288 848	72 212 000
18.06.2007	Increase of share capital by cash contribution	17 200	4,00	306 048	76 512 000
Sum					**76 512 000**

The largest shareholders in Grieg Seafood ASA, were, as of 31.12.:	No. shares	Shareholding
GRIEG HOLDINGS AS	33728010	44,08%
HALDE INVEST AS	14712000	19,23%
SKANDINAVISKA ENSKILDA BANKEN	4590500	6,00%
VERDIPAPIRFOND ODIN NORDEN	3399900	4,44%
TEIGEN	2000000	2,61%
VERDIPAPIRFOND ODIN NORGE	1929800	2,52%
YSTHOLMEN AS	1738435	2,27%
METEVA AS	1391000	1,82%
GRIEG SHIPPING AS	824565	1,08%
KING HOLDING AS	788000	1,03%
RBC DEXIA INVESTOR SERVICES BANK	769448	1,01%
BREMNES FRYSERI AS	543000	0,71%
KVERNELAND INVESTERING AS	543000	0,71%
BOREA NOTERTE II AS	490183	0,64%
BOREA NOTERTE III AS	367637	0,48%
BOREA NOTERTE I AS	366637	0,48%
SIX SIS AG	352600	0,46%
SYVERTSEN	300000	0,39%
MP PENSJON	288000	0,38%
BUSCH	240000	0,31%
Sum	69 362 715	90,66%
Total other	7 149 285	9,34%
Total numbers of shares	**76 512 000**	**100,00%**

SHARES CONTROLLED BY BOARD MEMBERS AND MANAGEMENT:	No. shares	Shareholding
Board of directors:		
Siri Hamnvik	1 000	0,001 %
Helge Nielsen	2 500	0,003 %
Anne-Grete Ellingsen	2 500	0,003 %
Harald Ingebrikt Volden (Halde Invest AS)	14 716 500	19,234 %
Group management:		
Per Grieg jr. (CEO*) until 01.08.2008	36 524 400	47,737 %
Morten Vike (CEO) from 01.08.2008	18 500	0,024 %
Ivar Kvangardsnes (COO) (Galder AS)	10 500	0,014 %
Eirik Bloch Haugland (CFO)	10 500	0,014 %
Total shares controlled by board members and management	**51 286 400**	**67,04%**

* Shares owned by the following companies are controlled by Per Grieg jr. and family:	No. shares
Grieg Holdings AS	33 728 010
Grieg Shipping AS	824 565
Ystholmen AS	1 738 435
Grieg Ltd AS	217 390
Nina Willumsen Grieg	1 000
Per Grieg jr. private	15 000
Sum no. shares controlled by Per Grieg jr. and family	36 524 400

**In addition, Håkon Volden owns 5.76% of Halde Invest AS through Drome AS.

28. Borrowings and finance lease

The Group's interest bearing debts are loans from banks, financial leasing liabilities as of December 31, 2008.
Grieg Seafood ASA entered into a corporate financing agreement in January 2008 to refinance debt and secure financing of the organic growth plan. The new financing facility is based on a multi-currency term loan of MNOK 800 and a multi-currency revolving credit of MNOK 500.

Long-term debt as of December 31, 2008 is classified as current liabilities, since the company is in breach of some of the covenants on the balance-sheet day. The bank syndicate waived covenants which were in breach per December 31, 2008 in connection with the new financing agreement which was entered into in 2009. Two of the covenants were waived until the end of 2009 and one is waived for the first quarter 2009. At the same time, a profit based replacement covenant valid during 2009 has been established. The cost relating to breach of covenants amount to approx. 4 MNOK quarterly.

The corporate finance agreement includes covenants related to the group accounts balance sheet and the P&L, specifically related to the equity share, the cash flow and the working capital.

See note 8 for more information about the agreement entered into in 2009.

NET INTEREST-BEARING DEBT	2008	2007
Borrowings - non-current	8 065	563 484
Leasing liabilities - non-current	213 117	123 352
Borrowings - current	809 641	76 184
Amortised cost	-1 814	-
Leasing liabilities - current	35 305	52 498
Revolving credit facility *)	496 702	-
Bank overdraft	-	337 957
Total interest-bearing debt	**1 561 016**	**1 153 475**
Cash and cash equivalents	68 146	24 318
Loan to associated companies	2 410	2 897
Other interest-bearing assets	487	10 570
Net interest-bearing debt	**1 489 973**	**1 115 690**

*) The company has a current revolving credit facility of MNOK 500. Per December 31 the drawing is MNOK 496.

OVERVIEW OF NON-CURRENT LIABILITIES	2008	2007
Subordinated loans	13 517	9 800
Liabilities to financial institutions	8 065	563 484
Financial leasing liabilities	213 117	123 352
Total liabilities (exc. current portion)	**234 699**	**696 636**

PAYMENT PROFILE NON-CURRENT LIABILITIES	2009	2010	2011	2012	2013	Subsequent	Total
Subordinated loans	-	-	-	-	-	13 517	13 517
Borrowings	615	72 637	72 637	72 637	72 637	526 543	817 706
Financial leasing liabilities	35 305	43 882	43 821	43 083	39 997	42 334	248 422
Total	**35 920**	**116 519**	**116 458**	**115 720**	**112 634**	**582 394**	**1 079 645**

In the specification of the payment profile, the liabilities that were in breach with the covenants are included.

LIABILITIES SECURED BY MORTGAGE	2008	2007
Liabilities to credit institutions incl. leasing liabilities.	1 576 347	1 163 274
Total liabilities	2 166 128	1 708 996

ASSETS PLEDGED AS SECURITY		
Licenses	831 921	849 838
Fixed assets	794 346	639 092
Accounts receivables	157 876	146 786
Shares, investments	-	1 416
Inventories and biological assets	1 117 933	1 102 501
Total assets pledged as security	**2 902 076**	**2 739 633**

Pledges include shares in subsidiaries. The book value of these shares is 0 in the consolidated accounts

GROUP **NOTES TO THE ACCOUNTS**

28. Borrowings and finance lease (cont.)

					2008		2007	
DESCRIPTION OF DEBT	**Currency**	**Fixed or floating interest rate**	**Effective interest rate**	**Final maturity**	**Current portion**	**Non-current portion**	**Current portion**	**Non-current portion**
Grieg Seafood ASA								
Syndicate loan non-current	Multi	Floating	Pricegrid	2011	809 024	-	-	-
Syndicate loan revolving credit	Multi	Floating	Pricegrid		496 702	-	-	-
Term loan DnB NOR	NOK	Floating	NIBOR + 0,9 %	2008	-	-	35 000	-
Term loan DnB NOR	NOK	Floating	NIBOR + 1,15 %	2014	-	-	934	5 137
Term loan Sandnes Sparebank	NOK	Floating	NIBOR + 0,9 %	2024	-	-	-	47 190
Term loan Sandnes Sparebank	USD	Floating	NIBOR + 0,9 %	2023	-	-	-	14 615
Grieg Seafood Rogaland AS								
Term loan Sandnes Sparebank	NOK	Floating	NIBOR + 0,9 %		-	-	12 220	87 197
Term loan Sandnes Sparebank	EUR	Floating	NIBOR + 0,9 %	2022	-	-	-	43 742
Grieg Seafood Canada					-	-	-	-
Term loan	USD	Floating	LIBOR + 1,25 %	2011	-	-	11 900	37 116
Grieg Seafood Finnmark AS								
Term loan Sparebank1 Nord-Norge	NOK		NIBOR + 0,65 %	2024	-	-	-	160 000
Grieg Seafood Hjaltland								
Term loan Nordea	GBP	Floating	Libor + 0,9 %	2012	-	-	15 674	161 137
SLAP	GBP	Floating	Libor	2018	615	6 217	455	7 350
SLAP	GBP	Fixed	7%		-	1 848	-	1 946
Shetland Trade Ass.	GBP	Fixed	7%		-	-	-	7 854
Leasing all companies					35 305	213 117	52 498	123 352
Other					-	13 517	-	9 800
Total					**1 341 649**	**234 699**	**128 681**	**706 435**

Average interest on syndicate loan 2008.

	31.12.2008	**NOK**	**GBP**	**USD**	**EUR**
Syndicate loan	809 026	505 499	212 541	90 986	-
Revolving credit facility	496 702	282 000	60 726	153 976	-
Long-term borrowing	8 680	-	8 680	-	-
Financial leasing	248 422	123 457	36 266	-	88 699
Sum loan and leasing	**1 562 830**	**910 956**	**318 213**	**244 962**	**88 699**
Average interest on syndicate and revolving credit facility 2008	**6,82%**	**7,48%**	**6,92%**	**4,59%**	

29. Pensions and pension obligation

The group has pension schemes which provide the employees with the right to define future pension payments. The group's collective scheme comprises a total of 9 employees as of December 31, 2008. The group's funded pension scheme is administered by a pension company.

The Stjernelaks department of Grieg Seafood Rogaland AS has a contractual early retirement scheme (AFP) for 32 employees. Financial commitments associated with this scheme are included in the group's pension calculations.

Grieg Seafood Rogaland AS and Grieg Seafood Hjaltland AS have pension liabilities related to a pension agreement with a former employee. The pension obligations are paid by the company when they fall due. Financial commitments associated with this scheme are included in the group's pension calculations.
Grieg Seafood Finnmark AS and Grieg Seafood Rogaland AS, which are not included in the pension schemes, have established OTP agreements according to the OTP law §2(1).

CAPITALISED COMMITMENTS ARE DETERMINED AS FOLLOWS:	2008	2007
Present value of future pension commitments	9 020	9 575
Fair value of plan assets	3 350	4 245
Net pension commitment (asset)	**5 670**	**5 330**
Unrecognised actuarial losses	-1 509	-961
Unrecognised past service cost	-	-
Net pension commitment on the balance sheet 31.12.	**4 161**	**4 369**

NET PENSION COSTS ARE DETERMINED AS FOLLOWS:		
Current service cost	974	638
Interest cost	366	236
Expected return on plan assets	-266	-149
Net actuarial losses recognised during the year	26	-
Past service cost	-	-
Losses on curtailment	-	-
Social security tax	49	-
Net pension cost	**1 149**	**725**

CHANGE IN PRESENT VALUE OF FUTURE PENSION COMMITMENTS		
Balance sheet value at 01.01.	9 575	6 062
Service cost	974	638
Interest cost	367	236
Amortisation of net actuarial losses	15	-
Payroll tax of employer contribution, assets	-66	-114
Actuarial loss (gain)	-1 195	1 352
DBO at end of year	**9 670**	**9 651**

CHANGE IN FAIR VALUE OF PLANNED ASSETS		
Balance sheet value at 01.01.	4 245	2 700
Expected return on planned assets	266	149
Actuarial (loss) gain	-2 002	544
Employer contribution	886	852
Fair value of assets at end of year	**3 395**	**4 245**

ACTUARIAL ASSUMPTIONS

Financial assumptions	2008	2007
Anticipated yield on pension assets	5,80%	5,75%
Discount rate	3,80%	4,70%
Anticipated regulation of salaries	4,00%	4,50%
Anticipated regulation of pensions	1,50%	2,00%
Anticipated regulation of national insurance	3,75%	4,25%

GROUP **NOTES TO THE ACCOUNTS**

30. Financial market risk

CURRENCY

Sales made by the Norwegian part of the company are primarily invoiced in NOK. However, prices are normally influenced by the consumers' domestic currencies, primarily EUR. Sales made by the companies in Canada are in USD. Sales made by the companies in UK are in GBP.

Most of the costs are in local currencies.

The group has some borrowings in foreign currencies, primarily GBP, USD and EUR. The purpose of these loans is to partly offset the currency exposure related to income in foreign currencies.

INTEREST

All interest bearing debt carries a floating interest rate.

	2008			2007		
	Currency	NOK	Share %	Currency	NOK	Share %
TURNOVER						
NOK	-	482 840	32%	-	440 636	41%
CAD	-	-	0%	-	-	0%
USD	100 401	531 721	36%	51 334	281 149	26%
EUR	6 358	52 280	4%	9 217	73 880	7%
JPY	-	-	0%	-	-	0%
GBP	40 735	420 662	28%	23 074	270 525	25%
Other currency	-	-	0%	495	2 161	0%
Sum	**-**	**1 487 503**	**100%**	**-**	**1 068 352**	**100%**
ACCOUNTS RECEIVABLE						
NOK	-	64 935	41%	-	41 222	37%
CAD	-	-	0%	16	90	0%
USD	7 342	42 395	27%	2 410	13 199	12%
EUR	1 474	12 120	8%	262	2 074	2%
JPY	-	-	0%	2 224	122	0%
GBP	3 555	38 426	24%	5 105	55 187	49%
Other currency	-	-	0%	-	-	0%
Sum	**-**	**157 876**	**100%**	**-**	**111 894**	**100%**
ACCOUNTS PAYABLE						
NOK	-	86 721	40%	-	79 158	40%
CAD	-	-	0%	14 523	80 314	41%
USD	8 965	51 769	24%	-	-	0%
EUR	-	-	0%	-	-	0%
GBP	7 047	76 181	35%	3 505	37 884	19%
Other currency	-	16	0%	-	-	0%
Sum	**-**	**214 687**	**100%**	**-**	**197 356**	**100%**
BORROWINGS, FINANCIAL LEASE AND BANK OVERDRAFT						
NOK	-	910 958	58%	-	624 101	54%
CAD	-	-	0%	43 742	96 344	8%
USD	43 441	244 962	16%	15 083	52 572	5%
EUR	10 787	88 699	6%	5 495	44 040	4%
GBP	32 123	331 730	21%	31 799	346 216	30%
Other currency	-	-	0%	-	-	0%
Sum	**-**	**1 576 347**	**100%**	**-**	**1 163 273**	**100%**

GROUP **NOTES TO THE ACCOUNTS**

31. Other current liabilities

SPECIFICATION OF OTHER CURRENT LIABILITIES	2008	2007
Accrued expenses	9 316	16 694
Advances from customers	-	-
Provisions	-	-
Other short-term liabilities	14 386	8 891
Other current liabilities	**23 702**	**25 585**

32. Lease Contracts

OPERATING LEASE COMMITMENTS - GROUP COMPANY AS LEASE:

The group rents various offices on terms of between 5 and 10 years.

The group also leases various plant and machinery under cancellable financial lease agreements. The group is required to give notice for the termination of these agreements.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

OVERVIEW OF FUTURE MINIMUM OPERATING LEASES	within 1 year	1-5 years	Subsequent	Total
Minimum lease amount, operating leasing contracts maturing	13 890	17 927	-	31 817

	2008	2 007
The operating lease expenditure charged to the income statement during the year is	14 729	6 110

OVERVIEW OF FUTURE MINIMUM FINANCIAL LEASES	within 1 year	1-5 years	Subsequent	Total
Minimum lease amount, financial leasing contracts maturing	47 822	207 044	51 586	306 452
Interest component	12 517	36 261	9 252	58 030
Present value of future minimum lease	**35 305**	**170 783**	**42 334**	**248 422**

LEASED ASSETS BOOKED AS FINANCE LEASE	2008	2007
Book value of leased assets (equipment, vessels)	287 407	179 259
Book value of leasing liabilities	248 422	175 850

33. Public grants / Commitments / Guarantee obligations

Grieg Seafood BC Ltd. has been approved by the Canada Revenue Agency to receive Scientific Research and Experimental Development (SR&ED) tax credits in the amount of MCAD 1.4 for 2008. These tax credits can be used to offset future taxable income in the company and have therefore been recorded as a future income tax asset.

The group has not issued any guarantees on behalf of external parties. For leasing commitments see note 32.

The group has not issued any guarantees on behalf of external parties.

GROUP **NOTES TO THE ACCOUNTS**

34. Related parties

2007	Operating income	Operating expenses	Net finance exp.	Net balance
Grieg Gaarden KS	-	942	4	- 4
Grieg Group Resources AS	-	3 964	11	- 118
Grieg Holdings AS' term loan	-	-	-1 386	-
Grieg Cod Farming AS (Grieg Cod Juveniles AS)	807	-	431	7 614
Erfjord Stamfisk AS	100	-	376	2 897
Bokn Sjøservice AS	-	10 685	-	1 878
Total	**907**	**15 591**	**-564**	**12 267**

2008	Operating income	Operating expenses	Net finance exp.	Net balance
Grieg Gaarden KS	-	1 283	-	-
Grieg Group Resources AS	-	3 022	-	-542
Grieg Holdings AS' term loan	-	-	-553	-
Grieg Cod Farming AS (Grieg Cod Juveniles AS)	865	-	-7 050	338
Erfjord Stamfisk AS	100	-	170	3 192
Bokn Sjøservice AS	-	8 600	-	414
Total	**965**	**12 906**	**-7 433**	**3 402**

The group has some relationships with its major shareholder Grieg Holdings AS and companies controlled by the majority owner of Grieg Holdings AS, Grieg Maturitas AS.

- Services in relation to accounting, salaries etc., are delivered by Grieg Group Resources AS. Services are provided on an arm's length basis.

- Grieg Seafood ASA's offices are rented from Grieg Gaarden KS. The rent is on an arm's length basis.

The board and management are related parties. See note 12 about share based options and note 27 about shares controlled by the board members and management.

35. Contingencies

LITIGATION

In accordance with Karmsund city court's judgement of January 3, 2008, Grieg Seafood Rogaland AS was ordered to pay a penalty of MNOK 1. The judgement has been appealed, both by the prosecutor and the company. The appeal took place at Gulating court of appeal in August 2008 and the company was ordered to pay a fine of MNOK 0,750.

The group has no other significant contingencies.

Financial statement
Parent company
Grieg Seafood ASA

PARENT COMPANY **INCOME STATEMENT**

Figures in NOK 1 000	Note	2008	2007
Sales revenue	10	-	160
Other operating income	10	20 279	22 822
Total income		**20 279**	**22 981**
Cost of goods sold		-	-156
Salaries and personnel expenses	11, 12	-15 931	-13 646
Depreciation	13, 14	-1 176	-354
Other operating expenses	11	-10 946	-15 597
Operating profit		**-7 774**	**-6 772**
Interest income		3 578	1 791
Interest received from group companies		77 213	10 845
Changes in fair value of financial instruments	7, 9	8 777	36 351
Other financial income		1 294	10 730
Write-down of fixed asset investments	8	-185 021	-6 199
Gain on disposals and changes in fair value of financial instruments	7	-101 855	-
Interest paid to group companies		-	-1 841
Other interest expenses		-81 579	-14 611
Other financial expenses		-21 937	-3 089
Profit before taxes		**-307 304**	**27 204**
Income tax	16	33 625	-1 212
Profit for the year		**-273 679**	**25 991**

PARENT COMPANY **BALANCE SHEET**

Figures in NOK 1 000	Note	2008	2007
ASSETS			
Software	13	2 404	1 701
Deferred tax assets	16	44 126	10 501
Property, plant and equipment	14	2 189	1 819
Investments in subsidiaries	8	1 004 586	1 121 094
Loans to group companies	2, 5	804 190	-
Investments in associated companies	8	3 839	3 839
Loan to associated companies	2	2 410	2 897
Investments in shares or units	9	103	103
Non-current receivables	5	-	6 604
Total non-current assets		**1 863 847**	**1 148 558**
Accounts receivable	4	455	162
Accounts receivable group companies	2, 4	5 935	4 258
Loans to group companies	2, 5	471 073	350 094
Other current receivables	3, 5, 7	7 395	13 777
Cash and cash equivalents	6	19 751	12 914
Total current assets		**504 609**	**381 205**
Total assets		**2 368 456**	**1 529 763**
EQUITY AND LIABILITIES			
Share capital	15	306 048	306 048
Share premium fund		621 550	811 120
Other reserves		-	54 821
Retained earnings		-	27 110
Total equity		927 598	1 199 099
Pension obligations	17	2 527	2 404
Borrowings	18	807 212	66 942
Total non-current liabilities		**809 739**	**69 347**
Bank overdraft	18	-	120 042
Short-term loan	18	496 702	-
Current portion of long-term borrowings	18	-	35 934
Loans from group companies	2	10 459	100 139
Accounts payable		821	1 329
Accrued salary expense and public tax payable		2 330	2 084
Other current liabilities	3, 5, 7	120 807	1 790
Total current liabilities		**631 120**	**261 317**
Total liabilities		**1 440 859**	**330 664**
Total equity and liabilities		**2 368 456**	**1 529 763**

Bergen, 2nd of April, 2009,
Grieg Seafood ASA

Helge Nielsen
Chairman

Harald Ingebrikt Volden
Vice-chairman

Siri Hamnvik
Board member

Anne-Grete Ellingsen
Board member

Terje Ramm
Board member

Morten Vike
CEO

PARENT COMPANY **CASH FLOW STATEMENT**

Figures in NOK 1 000	2008	2007
Profit before income taxes	-307 304	27 204
Depreciation and amortisation	1 176	354
Impairmant of investments	185 021	-2 239
(Gain/) loss on sale of assets	-	-36 351
Fair value (gains) / losses on derivative	93 079	-
Interest paid	81 578	-
Change in accounts receivable and other receivables	6 099	-4 195
Change in accounts payable	-1 005	241
Change in net pension liabilities	122	2 376
Currency translation differences	-8 837	-619
Change in other accruals	-	-5 471
Net cash flow from operating activities	**49 929**	**-18 700**
Proceeds from sale of fixed assets	125	-
Proceeds from sale of shares and other equity instruments	2 178	64 383
Dividend income	10	-
Purchase of tangible assets	-920	-2 183
Purchase of intangible assets	-1 454	-
Purchase of shares and equity investments in other companies	-	-504 779
Purchase of shares in subsidiaries	-68 513	-
Repayment on loans to group companies	-211 837	-244 098
Repayment on other loans	-	-5 260
Change in other non-current receivables	7 091	-
Net cash flow from investing activities	**-273 320**	**-691 937**
Net change in bank overdraft / revolving credit facility	376 659	39 239
Payments on loans from group companies	-	7 857
Change in long-term interest bearing debt	740 270	35 000
Change in short-term interest bearing debt	-934	-
Repayment of long-term interest bearing debt	-804 190	-38 934
Interest paid	-81 578	0
Share issues	-	696 683
Equity transaction	-	-18 118
Net cash flow from financing activities	**230 227**	**721 727**
Net change in cash and cash equivalents	**6 837**	**11 090**
Cash and cash equivalents at 01.01	**12 914**	**1 824**
Cash and cash equivalents at 31.12	**19 751**	**12 914**

PARENT COMPANY **STATEMENT OF CHANGES IN EQUITY**

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Equity 01.01.2007	**184 848**	**257 152**	**51 206**	**3 039**	**496 245**
Profit for the year 2007	-	-	-	25 991	25 991
Effect of option scheme			3 615	-	3 615
New equity from cash contributions	121 200	575 700			696 900
Change in accounting policy of pension				-1 919	-1 919
Expenses related to share issues (net of tax)		-21 732			-21 732
Equity 31.12.2007	**306 048**	**811 120**	**54 821**	**27 110**	**1 199 099**
Profit for the year 2008	-	-	-	-273 679	-273 679
Coverage of uncovered loss	-	-189 570	-56 999	246 569	-
Effect of option scheme	-	-	2 178	-	2 178
Equity 31.12.2008	**306 048**	**621 550**	**-**	**-**	**927 598**

PARENT COMPANY **NOTES TO THE ACCOUNTS**

1. Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

All amounts in the notes are in NOK thousands, if not specified differently.

REVENUE RECOGNITION

Revenue from sales of goods is recognised at the time of delivery. Revenue from the sales of services is recognised when the services are executed. The share of sales revenue associated with future service is recorded in the balance sheet as deferred sales revenue and is recognized as revenue at the time of execution.

CLASSIFICATION AND VALUATION OF BALANCE SHEET ITEMS

Assets intended for long term ownership or use have been classified as fixed assets. Assets expected to be realised in, or are intended for sale or consumption in, the entity's normal operating cycle, have been classified as current assets. Receivables are classified as current assets if they are expected to be realised within twelve months after the transaction date. Similar criteria apply to liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are reflected at nominal value.

Fixed assets are carried at historical cost. Fixed assets whose value will deteriorate are depreciated on a straight line basis over the asset's estimated useful life. Fixed assets are written down to net realisable value if a value reduction occurs which is not expected to be temporary. Except for accruals, long term liabilities stated in Norwegian Kroner are reflected in the balance sheet at nominal value on the establishment date. Accruals are discounted to present value if the time value of money is material.

FIXED ASSETS

Fixed assets are recognised in the balance sheet and depreciated over the estimated useful economic life, providing the asset has an expected useful life of more than 3 years and a cost price which exceeds NOK 15 000. Maintenance costs are expensed as incurred as other operating expenses, whereas improvements and additions are added to the acquisition cost and depreciated with the asset. The distinction between maintenance and improvements is made with regard to the asset's relative condition at the original purchase date. Leased assets are recognised as fixed assets if the lease contract is considered to be a financial lease.

SUBSIDIARIES AND ASSOCIATED COMPANIES

Investments in subsidiaries and associated companies are valued at cost in the company accounts. The investment is valued as cost of acquiring shares, providing they are not impaired.

Group contributions to subsidiaries, with tax deducted, are reflected as increases in the purchase costs of the shares.

Dividends and group contributions are recognised in the same year as they are recognised in the subsidiary/ associated company accounts. If dividends exceed retained earnings after acquisition, the exceeded amount is regarded as reimbursement of invested capital and the distribution will reduce the recorded value of the acquisition in the balance sheet. Received group contributions are recognized as other financial income.

IMPAIRMENT OF FIXED ASSETS

Impairment tests are performed if it is indicated that the carrying amount of a non-current asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cash flows can be indentified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the recoverable amount.
Previous impairment charges are reversed at a later period if the conditions causing the write-down no longer are present (with the exception of impairment of goodwill).

TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised in the balance sheet at nominal value after deduction of provision for bad debts. The provision for bad debts is estimated on the basis of an individual assessment of each major receivable. In addition, for the remainder of the receivables, a general provision is made based on estimated expected losses.

SHORT-TERM INVESTMENTS

Short term investments (shares and investments which are considered current assets) are carried at the lower of average purchase cost and net realisable value on the balance sheet date. Dividends and other distributions received are recognised as other financial income.

PENSIONS

The company has only defined benefit plans. Typically, a defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses. The defined benefit obligation is

1. Accounting principles

calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Norwegian government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In such case, the past-service costs are amortised on a straight-line basis over the vesting period.

DERIVATIVE
The company has made forward contracts on currency in 2008, which expire in 2009. Unrealised profit/ loss is balanced against P&L as financial income/ expense. Real value of the contracts is valued at exchange rate on balance sheet date.

SHARE-BASED COMPENSATION
The company operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

GROUP BANK ACCOUNTS SYSTEM - DEPOSIT AND LOAN
Grieg Seafood ASA entered into a financing agreement for the entire Grieg Seafood Group in 2008, and operates as such as an internal bank. Grieg Seafood borrows funds under the agreement from the financial institutions and lend these funds onwards to the group companies. When entering into this financing agreement, the company also set up a group account system (multi-accounts) in which Grieg Seafood ASA is the legal account holder and where deposits and loans are recognised as intercompany transactions. All group companies are responsible for the whole engagement against the financial institutions.

TAXES
The tax expense in the income statement consists of both taxes payable for the accounting period and the period's changes in deferred tax. Deferred tax is calculated as 28% of the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences, both positive and negative, are offset within the same period. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Deferred tax assets and deferred tax liabilities are presented net in the balance sheet.

Tax on group contributions given, booked as an increase in the purchase price of shares in other companies, and tax on group contribution received booked directly to equity, have been booked directly against tax items in the balance sheet (offset against tax payable if the group contribution has affected tax payable, and offset against deferred taxes if the group contribution has affected deferred taxes).

CASH FLOW STATEMENT
The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term highly liquid investments with maturities of three months or less from the purchase date.

PARENT COMPANY **NOTES TO THE ACCOUNTS**

2. Intercompany balances with group companies and associates

	2008	2007
LONG-TERM LOAN TO GROUP COMPANIES		
Grieg Seafood Finnmark AS	250 000	-
Grieg Seafood Rogaland AS	120 000	-
Grieg Seafood Hjaltland UK Ltd	223 650	-
Grieg Seafood B.C. Ltd	192 220	-
Unrealised currency loss / gain	18 320	-
Total	**804 190**	**-**
NON-CURRENT LOAN TO ASSOCIATED COMPANIES		
Erfjord Stamfisk AS	2 410	2 897
Total	**2 410**	**2 897**
Impairment losses expensed Tustna Marine Farms AS	-	2 047
CURRENT LOAN TO ASSOCIATED COMPANIES		
Erfjord Stamfisk AS	487	-
Total	**487**	**-**
ACCOUNTS RECEIVABLE GROUP COMPANIES		
Grieg Seafood Finnmark AS	1 632	3 758
Grieg Seafood Rogaland AS	1 702	-
Grieg Seafood Hjaltland UK Ltd	1 168	-
Grieg Seafood B.C. Ltd	1 290	-
Grieg Marine Farms AS	56	-
Grieg Seafood Canada AS	44	-
Grieg Seafood Hjaltland AS	44	500
Total	**5 935**	**4 258**
ACCOUNTS RECEIVABLE ASSOCIATED COMPANIES		
Erfjord Stamfisk AS	295	-
Total	**295**	**-**
OTHER CURRENT RECEIVABLES GROUP COMPANIES		
Grieg Seafood Canada AS	922	69 568
Grieg Seafood B.C. Ltd	52 149	175 075
Grieg Seafood Finnmark AS	142 163	72 539
Grieg Seafood Hjaltland UK Ltd	104 831	-
Grieg Marine Farms AS	1 282	-
Grieg Seafood Rogaland AS	169 726	32 911
Total	**471 073**	**350 094**
CURRENT LIABILITIES GROUP COMPANIES		
Grieg Marine Farms AS	9 400	10 277
Grieg Seafood Rogaland AS	-	88 559
Grieg Seafood Finnmark AS	-	832
Grieg Seafood Hjaltland AS	1 059	470
Total	**10 459**	**100 139**

PARENT COMPANY **NOTES TO THE ACCOUNTS**

3. Related parties balances

	2008	2007
LONG-TERM LOAN TO RELATED PARTIES		
Grieg Cod Juveniles AS	-	6 604
Total	**-**	**6 604**
Impairment losses expensed, Grieg Cod Juveniles AS. Amount for 2007 is regarding Tustna Marine Farms AS	7 051	2 047
OTHER CURRENT RECEIVABLES RELATED PARTIES		
Grieg Cod Farming AS	338	10
Grieg Cod Juveniles AS	-	1 000
Total	**338**	**1 010**
CURRENT LIABILITIES RELATED PARTIES		
Grieg Group Resources AS	542	118
Grieg Gaarden KS	-	4
Total	**542**	**122**

4. Accounts receivable

	2008	2007
Accounts receivable at nominal value	7 840	5 832
Provision for bad debts	-1 450	-1 412
Accounts receivable 31.12.	**6 390**	**4 420**
Change in provision for bad debts	38	-4 688
Realised bad debts	-	4 688
Recognised in the income Statement	**38**	**-**

5. Other receivables /other current liabilities

	2008	2007
OTHER NON-CURRENT RECEIVABLES		
Intragroup non-current receivables	804 190	-
Non-current receivables on associated companies	2 410	2 897
Receivables on related parties	0	6 604
Other non-current receivables 31.12.	**806 600**	**9 501**
Impairment losses expensed regarding Grieg Cod Juveniles AS 2008, amount for 2007 is regarding Tustna Marine Farms AS.	7 050	2 047
OTHER CURRENT RECEIVABLES		
Intragroup current receivables, see note 2	471 073	350 094
Instalment amount to associated company	487	-
Pre-paid expenses	28	50
Accrual of income	170	417
Unrealised currency gain on contracts, see note 7	6 411	-
Receivables on related parties	9	1 010
Claims due to purchase of shares	-	10 000
Other current receivables	289	2 299
Other current receivables 31.12.	**478 468**	**363 870**
Impairment losses expensed	-	-
OTHER CURRENT LIABILITIES		
Accrued interest	17 127	1 516
Other accrued expenses	1 825	274
Unrealised loss on currency contracts (see note 7)	101 855	
Total	120 807	1 790

6. Restricted bank deposits

	2008	2007
Restricted deposits related to employees' tax deduction	906	431
Total	**906**	**431**

7. Derivative to fair value true profit and loss

	Assets	Current liabilities
Forward foreign exchange contract to fair value	6 411	-101 855

	Financial income	Financial expense
CHANGE IN MARKET VALUE		
Realised / unrealised gain in 2008	8 777	
Realised / unrealised loss in 2008		-101 855
Total gain/loss	**8 777**	**-101 855**

8. Investments in subsidiaries and associated companies

SUBSIDIARIES	Business location	Ownership %	Equity 31.12.2008	Profit/loss 2008	Book value
Grieg Seafood Rogaland AS	Norway	100%	150 609	-28 188	174 658
Grieg Seafood Canada AS	Norway	100%	67 133	-1 374	138 252
Grieg Marine Farms AS	Norway	100%	7 158	335	940
Grieg Seafood Finnmark AS *)	Norway	100%	87 425	-25 983	215 460
Grieg Seafood Hjaltland AS	Norway	100%	194 322	-49	475 276
Total investments in subsidiaries 31.12.08					**1 004 586**

ASSOCIATED COMPANIES					
Erfjord Stamfisk AS	Sand	48,70%	616	12 457	3 839
Total investments in associated companies 31.12.08					**3 839**
*) The balance value of shares in Grieg Seafood Finnmark AS is impaired with					185 021

Investments in subsidiaries and associated companies are booked according to the cost method.

9. Investments in shares

	Business location	Ownership/ voting share	Number of shares	Acquisition cost	Book value
Frumar AS	Stavanger	15,40%	4 823 700	4 824	-
Grieg Cod Farming AS	Bergen	0,90%	787 055	1 282	-
Finnøy Næringspark AS	Finnøy	7,10%	103 000	103	103
Total investments in shares 31.12.08					**103**

Grieg Seafood ASA received the shares in Grieg Cod Farming AS in connection with the purchase of Tustna Marine Farms AS by Grieg Cod Farming AS. Cost price for the shares is 1 282 TNOK. Balance value is NOK 0. In 2007, the company sold their shares in Marine Farms ASA. The profit was 36 351 TNOK.

10. Income

OPERATING INCOME COMPRISES:	2008	2007
Sale of goods	-	160
Total sales revenue	**-**	**160**
Internal management fee - Grieg Seafood Group	19 312	21 915
Other operating income	967	907
Total other income	**20 279**	**22 822**

PARENT COMPANY **NOTES TO THE ACCOUNTS**

11. Payroll, fees, no. of employees etc.

	2008	2007
Wages and salaries	7 961	6 061
Social security costs	1 394	1 313
Share options granted to directors and employees	2 178	3 615
Pension costs - defined benefit plans	909	677
Other personnel costs	3 489	1 980
Total	**15 931**	**13 646**
Average man-labour year	8,5	7

Pension costs are described in detail in note 17.
The board's guidelines and principles for the stipulation of salaries and other remunerations to the management group is included in the financial statement for the group.
Accumulated expenses for wages, pension premiums and other remunerations to managing director, group executives and members of the parent company's board accordingly for 2008, were:

REMUNERATIONS TO THE COMPANY'S OFFICERS 2008 IN NOK	Salary	Bonus	Pension premiums	Other remuneration	Total
Per Grieg Jr. (CEO) until 01.08.2008	898 544	-	169 757	73 365	1 141 666
Morten Vike (CEO) from 01.08.2008	833 335	-	40 715	77 548	951 598
Ivar Kvangardsnes (COO)	1 245 976	-	103 547	77 827	1 427 350
Eirik Bloch Haugland (CFO)	1 052 863	-	170 886	26 418	1 250 167
Members of the board					
Helge Nielsen	300 000	-	-	941	300 941
Harald Volden	200 000	-	-	6 279	206 279
Terje Ramm	150 000	-	-	374	150 374
Anne-Grete Ellingsen	150 000	-	-	990	150 990
Siri Hamnvik	150 000	-	-	-	150 000

Remuneration to the board was TNOK 958

REMUNERATIONS TO THE COMPANY'S OFFICERS 2007 IN NOK	Salary	Bonus	Pension Premiums	Other remuneration	Total
Per Grieg Jr. (CEO)	1 172 811	480 000	150 059	31 369	1 834 239
Ivar Kvangardsnes (EVP)	947 654	-	87 556	17 210	1 052 420
Eirik Bloch Haugland (CFO)	899 981	260 000	156 892	34 471	1 351 344
Members of the board					
Helge Nielsen	350 000	-	-	640	350 640
Harald Volden	250 000	-	-	2 385	252 385
Terje Ramm	200 000	-	-	585	200 585
Anne-Grete Ellingsen	200 000	-	-	-	200 000
Siri Hamnvik	200 000	-	-	-	200 000

Remuneration to the board was TNOK 1.200

SPECIFICATION OF AUDITOR'S FEE	2008	2007
Statutory audit	600	350
Other assurance services	-	-
Tax advisory fee	-	50
Other services*	760	3 175
Total	**1 359**	**3 575**

* Fees for other services in 2007 include assistance related to the IPO and services related to M&A of approximately TNOK 2.850. Remaining fees were regarding a technical assistant.

12. Share based payments

The company has issued options to the management group and regional managers. It has issued options several times. The share price that the options can be vested to is the stock market price at issuing date, increasing by 0,5% per month until vesting date. The options were granted on 29.06.2007 with an expiry date on 29.06.2010. The vesting date on 50% of the options is 29.06.08, and for the remaining 50% on 29.06.09. On 01.06.2008 options were issued to Morten Vike (CEO) with expiry date on 27.02.2012. The options can be vested as of 27.02.2011. Per Grieg jr. resigned from options as of 01.06.2008.

The table below illustrates the movement in outstanding options throughout 2008.

	Outstanding options 31.12.2007	Granted options	Vested options	Terminated options	Expired options	Outstanding options 31.12.2008
Per Grieg jr. (CEO until 01.08.2008)	300 000	-	-	300 000	-	-
Morten Vike (CEO from 01.08.2008)	-	300 000	-	-	-	300 000
Ivar Kvangardsnes (COO)	200 000	-	-	-	-	200 000
Eirik Bloch Haugland (CFO)	200 000	-	-	-	-	200 000
Others	700 000	-	-	-	-	700 000
Total	**1 400 000**	**300 000**	**-**	**300 000**	**-**	**1 400 000**

	12.31.2008	12.31.2007
Options available for vesting	550 000	-
Weighted average remaining contractual life	1,86	2,51

Figures in NOK	Stock price when granting	Calculated value per option when granting	Calculated value when granting	Accrued cost 2008 *)	Accrued cost 2007 *)	Accumulated cost book kept against equity per. 31.12.2008
Per Grieg jr. (CEO untill 01.08.2008)	-			-670 663	670 663	-
Morten Vike (CEO from 01.08.2008)	13,20	3,74	1 122 900	240 097	-	240 097
Ivar Kvangardsnes (COO)	23,00	5,86	1 172 520	581 892	447 109	1 029 001
Eirik Bloch Haugland (CFO)	23,00	5,86	1 172 520	581 892	447 109	1 029 001
Others	23,00	5,72	4 004 860	1 582 339	1 911 315	3 493 654
Total			**7 472 800**	**2 315 557**	**3 476 196**	**5 791 753**

*) The amounts are exclusive of employers contribution. Employers contribution is capitalised against the real value of the options.

The following model input has been applied	2008	2007
Estimated volatility (%)	36,01	35,80
Risk-free interest (%)	5,19	5,23
Estimated qualification period (years)	3,05	3,00

The estimated qualification period/lifetime for the options is based on historical data and does not necessarily provide indications for the future.
In order to estimate volatility, the management has applied historical volatility for comparable activities listed on the Stock Exchange.

There are no outstanding options with the right to cash settlement as of December 31, 2008. Outstanding options are terminated when the employment ends.

The total cost for share-based payment has been charged against the income statement in the accounts with a figure of TNOK 2 178 including employers contribution in 2008 (the cost since issuing options is 5,792 TNOK, including employers contribution) and classified as personnel expenses in the profit and loss account. The Black and Scholes option pricing models is used for valuation. A brokerage firm is used to carry out the calculations.

13. Intangible assets

2007	Software	Total
Balance sheet value at 01.01.	-	-
Intangible assets acquired	1 760	1 760
Depreciation	-59	-59
Balance sheet value at 31.12.	1 701	1 701
Per 31.12.		
Acquisition cost	1 760	1 760
Accumulated depreciation	-59	-59
Balance sheet value at 31.12.	**1 701**	**1 701**
2008		
Balance sheet value at 01.01.	1 701	1 701
Intangible assets acquired	1 454	1 454
Depreciation	-751	-751
Balance sheet value at 31.12.	**2 404**	**2 404**
Per 31.12.		
Acquisition cost	3 214	3 214
Accumulated depreciation	-810	-810
Balance sheet value at 31.12.	**2 404**	**2 404**
Economically lifetime/ depreciation plan	**3 years**	

14. Tangible assets

2007	Plant, equipment and other fixtures	Vessels/barges	Total
Per 01.01.			
Acquisition cost	1 712	1 162	2 874
Accumulated depreciation	-1 043	-708	-1 751
Balance sheet value at 01.01.	**669**	**453**	**1 122**
Tangible fixed assets acquired	993	-	993
Depreciation	-179	-116	-295
Balance sheet value at 31.12.	**1 483**	**337**	**1 819**
Per 31.12.			
Acquisition cost	2 705	1 162	3 867
Accumulated depreciation	-1 223	-824	-2 047
Balance sheet value at 31.12.	**1 482**	**337**	**1 819**
2008			
Balance sheet value at 01.01.	1 482	337	1 818
Tangible fixed assets acquired	920	-	920
Tangible fixed assets sold	-171	-	-171
Depreciation	-309	-116	-425
Depreciation assets sold	44	-	44
Balance sheet value at 31.12.	**1 967**	**221**	**2 188**
Per 31.12.			
Acquisition cost	3 455	1 162	4 618
Accumulated depreciation	-1 488	-940	-2 428
Balance sheet value at 31.12.	**1 967**	**221**	**2 189**
Economic lifetime/ depreciation plan	**3-5 year**	**3 years**	

PARENT COMPANY **NOTES TO THE ACCOUNTS**

15. Share capital and shareholders

SHARE CAPITAL: As of December 31, 2008, the company has 76.512.000 shares at a nominal value of NOK 4 per share. None of these are owned by any group company.

Date of registration	Type of change	Change in share capital (TNOK)	Nominal value per share (NOK)	Total share capital (TNOK)	No. of ordinary shares
01.01.2007			1 000,00	184 848	184 848
19.02.2007	Share split	-	4,00	184 848	46 212 000
31.05.2007	Increase of share capital by cash contribution	104 000	4,00	288 848	72 212 000
18.06.2007	Increase of share capital by cash contribution	17 200	4,00	306 048	76 512 000
31.12.2008					**76 512 000**

The largest shareholders in Grieg Seafood ASA, were, as of 31.12.:	No. shares	Shareholding
GRIEG HOLDINGS AS	33728010	44,08%
HALDE INVEST AS	14712000	19,23%
SKANDINAVISKA ENSKILDA BANKEN	4590500	6,00%
VERDIPAPIRFOND ODIN NORDEN	3399900	4,44%
TEIGEN	2000000	2,61%
VERDIPAPIRFOND ODIN NORGE	1929800	2,52%
YSTHOLMEN AS	1738435	2,27%
METEVA AS	1391000	1,82%
GRIEG SHIPPING AS	824565	1,08%
KING HOLDING AS	788000	1,03%
RBC DEXIA INVESTOR SERVICES BANK	769448	1,01%
BREMNES FRYSERI AS	543000	0,71%
KVERNELAND INVESTERING AS	543000	0,71%
BOREA NOTERTE II AS	490183	0,64%
BOREA NOTERTE III AS	367637	0,48%
BOREA NOTERTE I AS	366637	0,48%
SIX SIS AG	352600	0,46%
SYVERTSEN	300000	0,39%
MP PENSJON	288000	0,38%
BUSCH	240000	0,31%
Total 20 largest shareholders	**69 362 715**	**90,66%**
Total other	7 149 285	9,34%
Total numbers of shares	**76 512 000**	**100,00%**

SHARES CONTROLLED BY BOARD MEMBERS AND MANAGEMENT:	No. shares	Shareholding
Board of directors:		
Siri Hamnvik	1 000	0,001 %
Helge Nielsen	2 500	0,003 %
Anne Grete Ellingsen	2 500	0,003 %
Harald Ingebrikt Volden (Halde Invest AS)	14 716 500	19,234 %
Group management:		
Per Grieg jr. (CEO*) until 1/08-08	36 524 400	47,737 %
Morten Vike (CEO) from 1/08-08	18 500	0,024 %
Ivar Kvangardsnes (COO) (Galder AS)	10 500	0,014 %
Eirik Bloch Haugland (CFO)	10 500	0,014 %
Terje Moss (Group Quality Director)	10 000	0,013 %
Total shares controlled by board members and management	**51 296 400**	**67,04%**

* Shares owned by the following companies are controlled by Per Grieg jr. and family:	No. shares
Grieg Holdings AS	33 728 010
Grieg Shipping AS	824 565
Ystholmen AS	1 738 435
Grieg Ltd AS	217 390
Nina Willumsen Grieg	1 000
Per Grieg jr. private	15 000
Total shares controlled by Per Grieg jr. and family	36 524 400

**In addition, Håkon Volden owns 5.76% of Halde Invest AS through Drome AS.

PARENT COMPANY **NOTES TO THE ACCOUNTS**

16. Income taxes

Calculation of deferred tax/deferred tax assets

TEMPORARY DIFFERENCES	Change	2008	2007
Fixed assets	-108	739	847
Profit and loss account	-2 089	8 357	10 446
Non-current loans	3 861	1 814	-2 047
Accounts receivables	-7 088	-8 500	-1 412
Financial instruments	-95 414	-95 414	-
Pension funds	-122	-2 527	-2 404
Net temporary differences	**-100 960**	**-95 532**	**5 429**
Tax losses carried forward	-19 130	-61 486	-42 356
Unused tax allowance	-0	-576	-576
Total	**-40 184**	**-157 593**	**-37 503**
28% deferred tax	-33 625	-44 126	-10 501
Deferred tax in the balance sheet	**-33 625**	**-44 126**	**-10 501**

	2008	2007
Change in deferred tax in the balance sheet	-33 625	-10 505
Tax payable liability paid in 2006, but not recognised in the profit and loss account	-	3 268
Deferred tax on emission costs, not recognised in the profit and loss account	-	8 449
Change in deferred tax in the profit and loss account	**-33 625**	**1 212**

SPECIFICATION OF THE TAX EXPENSE

	2008	2007
Profit before taxes	-307 304	27 204
Tax-free gain on sales of shares	-	-36 217
Permanent differences write-down of share	185 021	6 065
Emission costs	-	-30 176
Employee options	2 178	3 833
Other differences and recognised share dividends	-1 266	-6 512
Basis for the tax expense for the year	-121 371	-35 803
Changes in temporary differences	100 960	-655
Basis for tax payable in the profit and loss statement	**-20 411**	**-36 458**
Group contribution received	1 282	6 550
Utilization of loss carried forward	-	-
Basis for tax payable liability	**-19 129**	**-29 909**

	2008	2007
Tax payable (28% of the basis for tax payable in the profit and loss statement)	-	-
Change in deferred tax	-33 625	1 212
Total tax expense	**-33 625**	**1 212**

TAX PAYABLE LIABILITY IN THE BALANCE SHEET

	2008	2007
Tax payable (28% of basis for tax payable liability)	-	-
Tax payable liability in the balance sheet	**-**	**-**

	2008	2007
Tax losses carried forward	**61 486**	**42 356**

PARENT COMPANY **NOTES TO THE ACCOUNTS**

17. Pensions and pension commitments

The company has pension schemes which provide the employees with the right to define future pension payments. The group's collective scheme comprises a total of 9 employees as of December 31, 2008. The group's funded pension scheme is administered by a pension company.

	2008	2007
Capitalised commitments are determined as follows:		
Present value of future pension commitments	7 386	7 610
Fair value of planned assets	3 350	4 245
Net pension commitment (asset)	**4 036**	**3 365**
Unrecognised actuarial losses	-1 509	-961
Net pension commitment on the balance sheet 31.12	**2 527**	**2 404**
Net pension costs are determined as follows		
Current service cost	995	593
Interest cost	348	232
Expected return on planned assets	-266	-149
Net actuarial losses recognised during the year	11	-
Net pension cost	**1 088**	**677**
Change in present value of future pension commitments		
Balance sheet value at 01.01.	7 610	5 447
Service cost	995	593
Interest cost	349	232
Payroll tax of employer contribution, assets	-125	-114
Actuarial loss (gain)	-1 443	1 451
DBO at end of year	**7 386**	**7 610**
Change in fair value of planned assets		
Balance sheet value at 01.01.	4 245	2 700
Expected return on planned assets	266	149
Actuarial (loss) gain	-2 002	544
Employer contribution	841	852
Fair value of assets at end of year	**3 350**	**4 245**
Actuarial assumptions		
Anticipated yield on pension assets	5,80%	5,75%
Discount rate	3,80%	4,70%
Anticipated regulation of salaries	4,00%	4,50%
Anticipated regulation of pensions	1,50%	2,00%
Anticipated regulation of national insurance	3,75%	4,25%

18. Borrowings

The groups interest bearing debt are loans from banks, financial leasing liabilities on December 31, 2008. Grieg Seafood ASA entered into a corporate financing agreement in January 2008 to refinance dept and secure financing of the organic growth plan. The new financing facility is based on a multi-currency term loan of MNOK 800 and a multi-currency revolving credit of MNOK 500.

On 31 December 2008, the company was in breach of some of the covenants. The bank syndicate waived covenants which were in breach per 31 December 2008 in connection with the new financing agreement which was entered into in 2009. Two of the covenants were waived until the end of 2009 and one is waived for the first quarter 2009. At the same time, a profit based replacement covenant valid during 2009 has been established. The cost relating to breach of covenants amounts to approx. 4 MNOK quarterly. The corporate finance agreement includes covenants related to the group accounts balance sheet and the P&L, specifically related to the equity share, the cash flow and the working capital. The borrowing is classified as non-current liabilities per 31. December, based on the consent of waiving.

NET INTEREST-BEARING DEBT	2008	2007
Borrowings - non-current	809 027	66 942
Amortised cost	-1 814	-
Borrowings - current	-	35 934
Loan to group companies	10 459	100 139
Short term revolving credit facility *)	496 702	-
Bank overdraft	-	120 042
Total interest-bearing debt	**1 314 374**	**323 057**
Cash and cash equivalents	19 751	12 914
Loan to group companies	1 275 263	350 094
Loan to associated companies	2 897	2 897
Other interest-bearing assets	-	7 604
Net interest-bearing debt	**16 463**	**-50 452**

*) The company has current revolving credit facility MNOK 500. As of 31 December the drawing is MNOK 496.

OVERVIEW OF NON-CURRENT LIABILITIES	2008	2007
Liabilities to financial institutions	809 027	66 942
Amortisation cost long-term borrowings	-1 814	-
Total liabilities (exc. current portion)	**807 212**	**66 942**

PAYMENT PROFILE NON-CURRENT LIABILITIES	2009	2010	2011	2012	2013	Subsequent	Total
Borrowings	-	72 000	72 000	72 000	72 000	521 027	809 027
Total	**-**	**72 000**	**72 000**	**72 000**	**72 000**	**521 027**	**809 027**

LIABILITIES SECURED BY MORTGAGE	2008	2007
Liabilities to credit institutions	1 305 729	222 918
Total liabilities	**1 305 729**	**222 918**

ASSETS PLEDGED AS SECURITY		
Fixed assets	4 594	-
Shares in subsidiaries	1 004 586	188 192
Accounts receivables	5 935	4 420
Other receivables	9 805	
Loans to group companies	1 275 718	350 094
Total assets pledged as security	**2 300 638**	**542 706**

					2008		2007	
Description of debt	**Currency**	**Fixed or floating interest rate**	**Effective interest rate**	**Final Maturity**	**Current portion**	**Non-current portion**	**Current portion**	**Non-current portion**
Syndicate loan long-term	MULTI	Floating	acc to price grid	2011	-	809 027	-	-
Syndicate loan revolving credit	MULTI	Floating	acc to price grid		496 702	-	-	-
Term loan DnBNOR	NOK	Floating	NIBOR + 1,15 %	2014	-	-	934	5 137
Term loan Sandnes Sparebank	NOK	Floating	NIBOR + 0,9 %	2024	-	-	-	47 190
Term loan Sandnes Sparebank	USD	Floating	NIBOR + 0,9 %	2023	-	-	-	14 615
Total					**496 702**	**809 027**	**934**	**66 942**

19. Events after balance sheet date

REFINANCING OF DEBT

In February 2009, Grieg Seafood established an agreement to extend credit facilities to finance already implemented growth plans during the following two years. The financial package consists of 100 MNOK in extended credit lines from the company's bank syndicate, as well as 36 MNOK in suspended instalments on existing term loans from the same syndicate. Furthermore, an extraordinary general meeting in Grieg Seafood approved to issue subordinated convertible bonds in the value of 100 MNOK. The financial package also implies guarantees of 48 MNOK from the company's largest shareholder, Grieg Holdings AS, towards the bank syndicate. Part of the guarantee amount relates to rolling forward already due currency contracts at original rates.

At the extraordinary general meeting Grieg Holdings AS signed up for 59 bonds of MNOK 1 each, a total of MNOK 59, and Halde Invest AS signed up for 15 bonds of MNOK 1 each, a total of MNOK 15. The bonds can be converted into shares during the whole loan period, up to 30 days before the due date of 31.12.2010. The strike price is NOK 4 per share.

The company was in breach of some of the covenants in the balance sheet, but the bank has waived the covenants in connection with the new financial agreement which was entered into in 2009.

PricewaterhouseCoopers AS
Postboks 3984 - Dreggen
NO-5835 Bergen
Telephone +47 02316
Telefax +47 23 16 10 00

To the Annual Shareholders' Meeting of Grieg Seafood ASA

Auditor's report for 2008

We have audited the annual financial statements of Grieg Seafood ASA as of December 31, 2008, showing a loss of NOK 273 679 000 for the parent company and a loss of NOK 344 404 000 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 coverage of the loss. The annual financial statements comprise the financial statements of the parent company and the group. The financial statements of the parent company comprise the balance sheet, the statements of income and cash flows, the statement of changes in equity 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 regulations of the Norwegian accounting act and accounting standards, principles and practices generally accepted in Norway have been applied in the preparation of the financial statements 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 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 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 generally accepted in Norway, including standards on auditing 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 auditing standards 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 have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the company as of December 31,2008 and the results of its operations and its cash flows and the changes in equity for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the financial statements of the group have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of the group as of December 31, 2008, 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 coverage of the loss are consistent with the financial statements and comply with the law and regulations.

Bergen, April 2, 2009
PricewaterhouseCoopers AS

Jon Haugervåg
State Authorised Public Accountant (Norway)

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

Design: artgarden | Project management: Headvisor | Photo: © Grieg Seafood

Our regions:

Grieg Seafood ASA

Post address:
P.O.Box 234 Sentrum
N-5804 Bergen
Norway

Visit address:
Grieg-Gaarden
C. Sundtsgate 17/19
N-5804 Bergen
Norway
Tel.: +47 55 57 66 00
Fax.: +47 55 57 69 70
info@griegseafood.no
www.griegseafood.no

Grieg Seafood Rogaland AS
Helgøy
N-4174 Helgøysund
Norway
Tel.: +47 51 71 40 00
Fax: +47 51 71 40 01
E-mail: rogaland@griegseafood.no

Grieg Seafood Finnmark AS
Markedsgt. 3,
P.O. Box 1053
N-9503 Alta
Norway
Tel.: +47 78 44 95 95
Fax: +47 78 44 95 96
E-mail: finnmark@griegseafood.no

Grieg Seafood BC Ltd
#200 – 1170 Shoppers Row
Campbell River BC V9W 2C2
Canada
Tel: +1-250-286-0838
Fax: +1-250-286-1883
E-mail: info@griegseafood.ca

Grieg Seafood Hjaltland UK Ltd
Gremista
Lerwick
Shetland
ZE1 0PX
Tel: +44 1595 74 1800
Fax: +44 1595 74 1806
E-mail: info@griegseafood.co.uk

WWW.GRIEGSEAFOOD.NO