



# Q3

2008



## Grieg Seafood ASA – 3 quarter 2008

### Highlights – 3 quarter 2008

- Solid profit growth. EBIT before IFRS adjustment of biomass increased to 60,3 MNOK in the quarter compared to 4,8 MNOK in 2007.
- The Group's operating income increased to 436,3 MNOK (+38%).
- Harvest volume reached 13,510 tons (+25%) in the quarter. Expected harvest volume in 2008 of 54,000 tons.
- Underlying profit growth in 3 of 4 regions. Profitability in Rogaland still negatively influenced by the PD outbreaks in 2007/2008.

The result in Grieg Seafood during the third quarter was considerably improved after several quarters with weak profitability. EBIT before IFRS adjustment of biomass increased from 0,44 NOK/kg to 4,46 NOK/kg. Both in Finnmark and Canada improved profits, while the profitability in Rogaland was negatively affected by previous outbreaks of PD (Pancrease Disease), which led to high production costs and low growth in sea, also during the third quarter.

The salmon market was relatively strong during the third quarter, with attractive prices in most market segments. The market balance was good due to limited supply growth. The disease situation in Chile and Norway, along with lower growth in sea in Norway and the UK, are the main reasons for the lower supply growth.

Expected harvest volumes in 2008 are reduced to 54,000 tons (56,000). The reasons are weaker than expected growth in sea in Norway and the Shetlands, caused by the PD situation and lower seawater temperatures.

Grieg Seafood's organic growth strategy remains unchanged. Going forward, the company will increase the focus on realising synergies and establish a more systematic approach to internal operational improvement projects aimed at reduced production costs and increased productivity. The effort to improve profitability through strengthening the market orientation and prioritising market segments, which will give a price premium, will continue.

As previously announced, as of 1 August 2008 Morten Vike joined as new CEO after Per Grieg Jr.

# Financial and operational development

## Financial key figures

### Key figures 3rd Quarter 2008

	Rogaland	Finnmark	BC - Canada	Shetland- UK	Other	Group
Sales revenue (MNOK)	42,3	107,3	204,3	96,5	-17,7	432,7
EBITDA (MNOK)	1,4	21,6	46,9	16,3	1,8	88,0
EBIT before fair value adj. (MNOK)	-6,8	16,9	39,0	9,8	1,4	60,3
Harvest in tonnes, GWT	1 389	3 911	5 894	2 998	(682)	13 510
EBIT before fair value adj. NOK/kg	-4,92	4,33	6,62	3,26		4,46

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

### Key figures per 30.09.2008

	Rogaland	Finnmark	BC - Canada	Shetland- UK	Other	Group
Sales revenue (MNOK)	125,4	322,7	397,4	319,1	-47,2	1 117,4
EBITDA (MNOK)	17,9	20,4	71,6	48,0	-2,0	155,8
EBIT before fair value adj. (MNOK)	-3,2	6,5	47,9	29,9	-2,9	78,3
Harvest in tonnes, GWT	4 751	13 204	12 639	10 807	(1 888)	39 513
EBIT before fair value adj. NOK/kg	-0,68	0,49	3,79	2,77		1,98

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

The Group's operating income reached 432,7 MNOK in 3 quarter, an increase of 38% compared to 3 quarter 2007. Of an organic sales growth of 49%, excluding foreign exchange conversion effects, volume growth represent 31% and price growth represent 18%.

EBIT before IFRS adjustment of biomass, increased to 60,3 MNOK compared to 4,8 MNOK in 3 quarter 2007. Correspondingly, EBIT per kg increased from 0,44 NOK in 3 quarter 2007 to 4,46 NOK in 3 quarter 2008. It is mainly a considerably improved profitability in Finnmark and Canada (BC) which contributes to improved profit of the Group.

### Rogaland

3 quarter harvest volumes in Rogaland were only 1,389 tons. The growth in sea was weak during most of the quarter. This is a result of the PD (Pancrease Disease) outbreaks in 2007 and 1 half 2008. The growth in sea has picked up towards the end of the period. 3 quarter EBIT before IFRS adjustment of biomass reached -6,8 MNOK. Due to the PD situation, a write down of 4 MNOK has been taken in 3 quarter. In total this has resulted in a negative EBIT per kg of -4,92 NOK.

Even if we have experienced weak growth of the PD infected fish, the overall fish health situation in the region is improving. We have still not experienced any clinical PD outbreaks on any of the fish that was vaccinated during 2008. PD infected fish will have a higher than normal production cost. This will influence margins negatively. The production costs will, without new PD outbreaks, gradually decrease through 2009 and are expected to normalize during 2 half 2009.

### Finnmark

3 quarter harvest volumes in Finnmark reached 3,911 tons, which is 3 times higher than the same period in 2007. The EBIT before IFRS adjustment of biomass was considerably improved in Finnmark and reached 16,9 MNOK in the quarter. This equals an EBIT per kg of 4,33 NOK.

During most of the quarter, the seawater production (growth) was weaker than expected due to lower seawater temperatures. Also in Finnmark the growth in sea normalized towards the end of the period.

The improved profitability in Finnmark is both due to increased capacity utilization and higher prices achieved. Focus on adapting the supply to the market demand also gave positive results in terms of good prices of large fish in the quarter, when the supply of large fish in general was weak.

We are working on re-launching the Blue Silver trade mark, arctic salmon and salmon trout, based on the unique product properties that we can produce in Finnmark.

The implementation of a recirculation unit on our hatchery in Finnmark has been completed and will be in full operation during 4 quarter. In addition to higher smolt capacity, this will give larger size and better quality smolt, which are important measures to reduced production cost and production time.

## **BC – Canada**

3 quarter harvest volumes in BC – Canada increased to 5,894 tons. Canada delivered a strong improvement in profit compared to 3 quarter 2007. EBIT before IFRS adjustment of biomass reached 39 MNOK, corresponding to 6,62 NOK per kg.

The North American market was strong and achieved good prices in the quarter. In particular the market for large size fish was strong. Sale of Coho roe (pacific salmon roe) was also strong and contributed to the improved profitability.

3 quarter is the period of the year which has traditionally had the highest risk of biological problems due to low dissolved oxygen and algae blooms. We have in 3 quarter made write offs of totally 12 MNOK due to mortality caused by an algae bloom and an incident of low dissolved oxygen. Growth in sea was normal during the quarter.

We are in the process of implementing additional measures to limit and prevent negative consequences of algae and oxygen problems in Canada. The implementation of the recirculation unit in Canada was completed and will be in full operation during 4 quarter. In addition to increased capacity, better smolt quality will also contribute to reduced mortality, hence, reduced production costs.

## **Shetland – UK**

3 quarter harvest volumes in Shetland reached 2,998 tons, somewhat lower than the same period in 2007. EBIT before IFRS adjustment of biomass was 9,8 MNOK, corresponding to 3,26 NOK per kg. The EBIT per kg was somewhat lower than the corresponding period last year.

The seawater production (growth) was weaker than expected. The biological production has been negatively influenced by two minor incidents of PD (Pancrease Disease). The sea lice situation in part of the region is also challenging and has caused higher production costs.

The UK market was also strong and we achieved good prices throughout the quarter. Our organic salmon has achieved great success and continues trading at a nice price premium.

The extension of our processing plant in Shetland has been somewhat delayed. Trial production has started and we will start supplying the market with our VAP products during 4 quarter.

## **Funding and capital**

Grieg Seafood has identified an additional funding requirement in the area of 150-200 MNOK additional to the existing credit facilities to carry out the planned growth strategy. The company is in a constructive process with the banks to secure this additional financing. As banks in the present financial market situation will require additional security, the company's two largest shareholders, Grieg Holdings and Halde Invest, has committed to provide a subordinated loan up to 100 MNOK to secure this additional financing.

As part of the discussion regarding extended credit facility, the bank syndicate has confirmed a waiver of the covenants of the existing loan agreement. This waiver will be valid through June 2010. As per today, the company considers it likely that it will be close to a breach of one of the covenants during parts of 2009. If the company will breach the original covenants, this will imply an increased interest cost of nearly 2 MNOK, during the period in which the covenant has been breached.

The subordinated loan will be proposed for approval at an extraordinary General Assembly of the company, tentatively scheduled for January 2009. The subordinated loan will be interest bearing at an interest corresponding to 6 month NIBOR with an additional risk premium of 4,0%-points. Additionally, the lenders of the subordinated loan will be entitled to convert 60% of the subordinated loan to equity, through issuing up to maximum 7,5 million new shares at a per share price of 8 NOK. The subordinated loan will be due 31 December 2010.

When considering the terms of the subordinated loan, including level of interest and terms of the limited conversion, the board of Grieg Seafood has emphasised that the terms shall reflect market terms, considering the risk the lender of the subordinated loan will assume as well as balancing the interest of the shareholder values of all shareholders of the company. Other shareholders will be entitled to enter the subordinated loan at the same terms. Due to administrative reasons, the offer will be available to shareholders holding a minimum of 50,000 shares and with a minimum participation of the subordinated loan of 1,0 MNOK.

Grieg Seafood's largest shareholder, the Grieg Group, holds as per today 46% of the shares in the company. In connection with the committed subordinated loan, the Grieg Group has explicitly pronounced that it has no intention to exceed a shareholding of 50% of the company.

In 3 quarter, Grieg Seafood invested 82,8 MNOK in fixed assets. A number of possibilities to decrease future investment needs and increase the efficiency of the capital employed have been identified. Accumulated net cash flow from operations was 93,6 MNOK per 3 quarter. The equity ratio at the end of the quarter was 38,2%.

At the end of 3 quarter, Grieg Seafood had a net unrealised currency gain relating to the company's multi currency loans of 4,3 MNOK

<b>Grieg Seafood Group</b>	<b>3Q 2008</b>	<b>3Q 2007 *</b>	<b>YTD 2008</b>	<b>YTD 2007 *</b>
Total operating income (TNOK)	436 320	315 068	1 129 823	780 855
EBITDA (TNOK)	87 955	28 956	155 818	169 659
EBIT before fair value adj. (TNOK)	60 318	4 758	78 289	115 366
EBIT (TNOK)	15 437	-29 088	60 747	49 040
EBITDA %	20,2 %	9,2 %	13,8 %	21,7 %
EBIT before fair value adj. %	13,8 %	1,5 %	6,9 %	14,8 %
EBIT %	3,5 %	-9,2 %	5,4 %	6,3 %
Net profit (TNOK)	586	-32 098	-4 000	28 003
Net profit margin	0,1 %	-10,2 %	-0,4 %	3,6 %
Total assets (TNOK)	3 313 658	2 791 729	3 313 658	2 792 166
Net interest bearing debt (TNOK)	1 408 888	989 145	1 408 888	989 145
Equity (TNOK)	1 266 535	1 240 080	1 266 535	1 240 386
Equity ratio	38,2 %	44,4 %	38,2 %	44,4 %
Earnings per share continuing operations	0,01	-0,42	-0,05	0,52
Number of shares at the beginning of the period	76 512 000	76 512 000	76 512 000	76 512 000
Number of shares at period end	76 512 000	76 512 000	76 512 000	76 512 000

## **Outlook – Market and Strategic priorities**

### **Market development**

The demand for Atlantic salmon has continued to grow in most major market during the entire 2008. The consequences of the financial crisis in terms of reduced demand and how this will influence the global demand for Atlantic salmon, is difficult to predict. One could expect a certain weakening of the market, even though the demand for food is considerably less vulnerable to the state of the economy than other consumer demand. Salmon is well established among consumers as healthy and tasty food. The relative pricing of salmon compared to other fish is also favourable.

The development in the various geographical market segments can vary depending on the impact of the financial crisis and a different situation on the supply side. Due to low growth (seawater production) in Norway, it is expected that several suppliers will move harvest volumes from 3 quarter 2008 to 4 quarter and 1 quarter 2009. This could lead to a temporary weakening of prices.

The increase in feed prices has been a major challenge during 2008. Raw material prices have decreased globally and we therefore expect reduced feed prices going forward. Feed is the single largest cost component of fish farming.

### **Market balance**

The supply growth of Atlantic salmon seems to be clearly weaker than previously expected. This is due to the disease situation, in particular in Chile, but also in Norway, as well as lower seawater production (growth) in several of the production regions. Considering this, the market balance should remain good. However, this could have a different impact in different geographical markets.

Grieg Seafood has a very well balanced exposure to different markets, with production in Norway, UK and Canada. The company also has no production or activities in Chile.

### **Strategic priorities**

Grieg Seafood's growth strategy remains unchanged. The company has during the two last years gone through a very strong growth. Several companies have been acquired and integrated and large infrastructure investments have been carried out to secure future organic growth. This has been a demanding period and the operating results have not been satisfactory during this period.

The company is now entering a new phase, where the focus on operations and profitability will be strengthened. Measures to take out synergies between the different units in the Group will be implemented. Also measures to reduce production costs have been, and will be implemented, both within smolt production and within seawater production. Along with this, the market orientation of the company will continue. A more market oriented company provides a potential for somewhat higher margins as well as reduced risk and volatility.

In 2009, harvest volumes are expected to reach 63,000 tons. To allow sufficient priority and focus on operations and profitability, the board of directors has decided to somewhat lower the growth rate. Expected harvest volumes in 2010 will be in the range of 70-75,000 tons. In the opinion of the board of directors, this revision of the growth rate will not be at the expense of the company's 2010 profit. Focus on organic growth as a key shareholder value driver remains unchanged. The Group's organic growth potential still corresponds to a capacity of more than 80,000 tons.

For further information, please see our website [www.griegseafood.no](http://www.griegseafood.no)

Bergen, 20<sup>th</sup> of November 2008

The Board of Directors of  
Grieg Seafood ASA

# Financial results Grieg Seafood Group

## GENERAL ACCOUNTING POLICIES

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

### Income Statement

All figures in NOK 1.000

	3Q 2008	3Q 2007 *	YTD 2008	YTD 2007 *
Sales revenues	432 722	314 216	1 117 420	738 062
Other operating income	3 598	852	12 403	42 793
<b>Total operating income</b>	<b>436 320</b>	<b>315 068</b>	<b>1 129 823</b>	<b>780 855</b>
Change in inventories	52 961	-54 819	16 685	109 137
Raw materials and consumables used	-291 447	-124 079	-645 439	-500 049
Salaries and personnel expenses	-36 169	-42 347	-115 616	-94 890
Other operating expenses	-73 710	-64 868	-229 635	-125 394
<b>EBITDA before fair value adjustment of biological assets</b>	<b>87 955</b>	<b>28 956</b>	<b>155 818</b>	<b>169 659</b>
Depreciation and amortisation	-27 365	-24 197	-76 711	-54 730
Amortisation of licenses	-272		-818	0
Impairment and reversal of impairments of fixed assets	0	0		
<b>EBIT before fair value adjustment of biological assets</b>	<b>60 318</b>	<b>4 758</b>	<b>78 289</b>	<b>114 929</b>
Fair value adjustment of biological assets	-44 881	-33 846	-17 542	-66 326
<b>EBIT (Operating profit)</b>	<b>15 437</b>	<b>-29 088</b>	<b>60 747</b>	<b>48 603</b>
Net Financial expenses	-10 508	-15 488	-63 969	-30 081
<b>PBT (Profit before tax)</b>	<b>4 929</b>	<b>-44 575</b>	<b>-3 222</b>	<b>18 522</b>
Estimated taxation	-4 343	12 477	-778	9 175
<b>Net profit in the period</b>	<b>586</b>	<b>-32 098</b>	<b>-4 000</b>	<b>27 697</b>
Profit to minority interests	0	0		782
Profit attributable to equity holders of the parent company	586	-32 098	-4 000	26 915
Earnings per share continuing operations	0,01	-0,42	-0,05	0,45
Earnings per share continuing operations - diluted	0,01	-0,42	-0,05	0,45

Grieg Seafood Hjalmland AS is included in the figures from June 2007.

# Grieg Seafood Group

## Balance Sheet

All figures in NOK 1.000

<b>ASSETS</b>	<b>30.09.2008</b>	<b>30.09.2007</b>	<b>31.12.2007</b>
Goodwill	133 157	154 366	138 661
Licenses and other intangible assets	892 214	845 467	849 072
Property, plant and equipment	821 244	555 862	639 092
Investments in associated companies	10 181	10 898	10 879
Loans to associated companies	2 897	4 944	2 897
Available for sale financial assets	153	176	156
Non-current receivables	8 888	11 761	10 275
<b>Total non-current assets</b>	<b>1 868 734</b>	<b>1 583 474</b>	<b>1 651 032</b>
Inventories	43 146	42 360	34 927
Biological assets	1 063 230	947 782	1 067 574
Accounts receivable	197 672	114 748	111 893
Other current receivables	56 102	89 322	84 569
Other financial assets at fair value through profit and loss	1 631	0	0
Cash and cash equivalents	83 143	14 043	24 318
<b>Total current assets</b>	<b>1 444 924</b>	<b>1 208 255</b>	<b>1 323 280</b>
<b>Total assets</b>	<b>3 313 658</b>	<b>2 791 729</b>	<b>2 974 313</b>
<b>EQUITY AND LIABILITIES</b>	<b>30.09.2008</b>	<b>30.09.2007</b>	<b>31.12.2007</b>
Share capital	306 048	306 048	306 048
Share premium fund	811 120	811 120	811 120
Other reserves	150 883	104 480	91 459
Retained earnings	-1 516	18 432	56 920
Minority interest		0	
<b>Total equity</b>	<b>1 266 535</b>	<b>1 240 080</b>	<b>1 265 547</b>
Deferred tax liabilities	278 821	292 584	281 064
Pension obligations	4 512	5 825	4 369
Subordinated loans	0	0	9 800
Borrowings	791 270	575 623	563 484
Financial leasing liabilities	205 825	93 895	123 352
Other non-current liabilities	20 576	20 549	19 096
<b>Total non-current liabilities</b>	<b>1 301 004</b>	<b>988 476</b>	<b>1 001 165</b>
Bank overdraft	432 690	246 903	337 957
Current portion of long term borrowings	29 781	71 154	76 184
Current portion of financial leasing liabilities	30 564	23 961	52 498
Accounts payable	193 970	141 768	197 356
Tax payable	4 542	12 778	9 402
Accrued salary expense and public tax payable	9 901	6 676	8 619
Other current liabilities	44 671	59 933	25 585
<b>Total current liabilities</b>	<b>746 119</b>	<b>563 173</b>	<b>707 601</b>
<b>Total liabilities</b>	<b>2 047 123</b>	<b>1 551 649</b>	<b>1 708 766</b>
<b>Total equity and liabilities</b>	<b>3 313 658</b>	<b>2 791 729</b>	<b>2 974 313</b>



## Grieg Seafood Group

### Cash flow statement

All figures in NOK 1.000

	YTD 2008	YTD 2007
<b>Net cash flow from operating activities</b>	93 637	1 016
<b>Net cash flow from investing activities</b>	-288 110	-698 338
<b>Net cash flow from financing activities</b>	253 298	698 673
<b>Net change in cash and cash equivalents</b>	58 825	1 351
<b>Cash and cash equivalents at beginning of the period</b>	24 318	12 692
<b>Cash and cash equivalents at the end of the period</b>	83 143	14 043

## Grieg Seafood Group

### Changes in equity

All figures in NOK 1.000

	3Q 2008	YTD 2008
<b>Equity period start</b>	1 241 946	1 265 547
<b>Profit for the period</b>	586	-4 000
Currency translation differences	23 503	3 846
Other gains and losses charged directly to equity	0	-563
<b>Total gains and losses charged directly to equity</b>	23 503	3 283
<b>Total recognised income for the period</b>	24 089	-717
Dividends	0	
Purchase of minority shareholders	0	
New equity from cash contributions and contributions in kind	0	
Expenses related to share issues (net of tax)	500	1 705
<b>Total equity from shareholders in the period</b>	500	1 705
<b>Total change of equity in the period</b>	24 589	988
<b>Equity at period end</b>	1 266 535	1 266 535

# Grieg Seafood Group

## Segment information

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

3Q 2008	Rogaland		Finnmark		BC - Canada		Shetland - UK		Other / Eliminations		Totalt	
	3Q 08	3Q 07	3Q 08	3Q 07	3Q 08	3Q 07	3Q 08	3Q 07	3Q 08	3Q 07	3Q 08	3Q 07
External revenues (TNOK)	42 286	81 764	90 911	34 342	204 329	97 616	96 544	100 998	-254	-504	433 816	314 216
Trading revenue (TNOK)			16 361						-17 454		-1 093	
EBITDA (TNOK)	1 372	2 910	21 624	-617	46 885	9 963	16 272	20 369	1 801	-3 670	87 955	28 956
EBIT before fair value adj. (TNOK)	-6 829	-2 385	16 934	-4 684	39 031	1 962	9 783	15 082	1 399	-5 217	60 318	4 758
EBIT (TNOK)	-24 097	1 176	-3 041	-7 903	38 691	5 740	2 484	-22 867	1 399	-5 234	15 437	-29 088
EBITDA %	3,2 %	3,6 %	23,8 %	-1,8 %	22,9 %	10,2 %	16,9 %	20,2 %			20,3 %	9,2 %
EBIT before fair value adj. %	-16,1 %	-2,9 %	18,6 %	-13,6 %	19,1 %	2,0 %	10,1 %	14,9 %			13,9 %	1,5 %
EBIT %	-57,0 %	1,4 %	-3,3 %	-23,0 %	18,9 %	5,9 %	2,6 %	-22,6 %			3,6 %	-9,3 %
EBITA/KG GWT 1	-4,92	-0,78	4,33	-3,59	6,62	0,60	3,26	4,69			4,46	0,44
Harvest in tonnes, GWT	1 389	3 065	3 911	1 306	5 894	3 248	2 998	3 217	-682		13 510	10 836
Harvest in tonnes, GWT Proforma	1 389	3 065	3 911	1 306	5 894	3 248	2 998	3 217	-682		13 510	10 836
Production in tonnes, round weight	2 454	3 420	6 466	4 853	3 962	3 491	6 404	6 499			19 286	18 262

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

YTD 2008	Rogaland		Finnmark		BC -Canada		Shetland -UK		Other / Eliminations		Totalt	
	YTD 08	YTD 07	YTD 08	YTD 07	YTD 08	YTD 07	YTD 08	YTD 07	YTD 08	YTD 07	YTD 08	YTD 07
External revenues (TNOK)	125 367	239 779	275 841	157 836	397 397	216 870	319 070	123 577	-254		1 117 421	738 062
Trading revenue (TNOK)			46 896						-46 896			0
EBITDA (TNOK)	17 874	44 344	20 429	13 991	71 561	47 799	47 998	24 998	-2 044	38 527	155 818	169 659
EBIT before fair value adj. (TNOK)	-3 218	29 747	6 476	2 489	47 944	26 368	29 945	18 070	-2 858	38 255	78 289	114 929
EBIT before fair value adj. Proforma(TNOK) 2	-3 218	29 747	6 476	2 489	47 944	26 368	29 945	44 849	-2 858	38 255	78 289	141 708
EBIT (TNOK)	-31 587	20 658	-16 822	-29 003	89 709	22 129	22 305	-3 436	-2 858	38 255	60 747	48 603
EBITDA %	14,3 %	18,5 %	6,3 %	8,9 %	18,0 %	22,0 %	15,0 %	20,2 %			13,9 %	23,0 %
EBIT before fair value adj. %	-2,6 %	12,4 %	2,0 %	1,6 %	12,1 %	12,2 %	9,4 %	14,6 %			7,0 %	15,6 %
EBIT %	-25,2 %	8,6 %	-5,2 %	-18,4 %	22,6 %	10,2 %	7,0 %	-2,8 %			5,4 %	6,6 %
EBITA/KG GWT 1	-0,68	3,37	0,49	0,38	3,79	3,93	2,77	4,69			1,98	4,42
EBITA/KG GWT proforma (UK)	-0,68	3,37	0,49	0,38	3,79	3,93	2,77	5,58			1,98	4,70
Harvest in tonnes, GWT	4 751	8 834	13 204	6 585	12 639	6 709	10 807	3 854	-1 888		39 513	25 982
Harvest in tonnes, GWT Proforma	4 751	8 834	13 204	6 585	12 639	6 709	10 807	8 044	-1 888		39 513	30 172
Production in tonnes, round weight	6 370	9 554	11 482	8 689	13 254	10 834	11 751	7 896			42 857	36 973

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

## Grieg Seafood Group

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

### Biological assets

	Tons			NOK 1.000		
	3Q 2008	YTD 2008	2007	3Q 2008	YTD 2008	2007
<b>Biological assets - beginning of period</b>	39 505	47 021	22 975	1 003 841	1 067 574	551 637
Currency translation				37 707	-16 043	-19 167
Increases due to purchases	140	1 110	525	35 428	113 894	56 437
Increases due to production	18 322	41 894	53 405	320 504	732 763	878 781
Increase due to company acquisitions	0	0	13 469	0	0	379 764
Writedown due to irregular mortality/esc (-)	0	0	0	-17 947	-33 043	-35 720
Decreases due to sales/harvesting	-16 041	-48 099	-43 353	-277 154	-789 019	-712 710
Fair value adjustment beginning of period	N/A	N/A	N/A	-100 754	-126 307	-84 826
Fair value adjustment acquisitions				0	0	-74 170
Fair value adjustment period end	N/A	N/A	N/A	61 606	113 412	127 549
<b>Biological assets - end of period</b>	<b>41 926</b>	<b>41 926</b>	<b>47 021</b>	<b>1 063 230</b>	<b>1 063 230</b>	<b>1 067 574</b>

	Number of fish (1.000)	Biomass (tons)	Cost of production	Fair value adjustment	Carrying amount
<b>Biological assets status 30.09.2008</b>					
Smolt	10 124	263	37 161	0	37 161
Biological assets with round weight < 4 kg	24 461	23 706	598 240	34 209	632 449
Biological assets with round weight > 4 kg	3 775	17 957	314 414	79 207	393 621
<b>Total</b>	<b>38 360</b>	<b>41 926</b>	<b>949 814</b>	<b>113 416</b>	<b>1 063 230</b>
<b>Biological assets status 30.09.2007</b>					
Smolt	9 333	296	42 504		42 504
Biological assets with round weight < 4 kg	13 809	23 116	464 712	30 665	495 376
Biological assets with round weight > 4 kg	7 667	19 045	335 430	74 473	409 902
<b>Total</b>	<b>30 809</b>	<b>42 457</b>	<b>842 646</b>	<b>105 139</b>	<b>947 785</b>

# Information about the Grieg Seafood Group

## Head Office Grieg Seafood ASA

Mailing address	P.O. Box 234 Sentrum N-5804 BERGEN
Visiting address	Grieg-Gaarden, C. Sundtsgate 17/19 N-5804 BERGEN
Telephone	+ 47 55 57 66 00
Internet	<a href="http://www.griegseafood.no">www.griegseafood.no</a>
Organisation number	NO 946 598 038 MVA

## Board of directors in Grieg Seafood ASA

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

## Group management

Morten Vike *)	Chief executive officer
Ivar Kvangardsnes	Executive vice president
Eirik Bloch Haugland	Chief financial officer

## Financial calendar

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

*Dates are given with resercations in case of changes.*