



Grieg Seafood ASA

Stock Exchange Notification

27 February 2009

Grieg Seafood ASA – 4 quarter 2008

Highlights – 4 quarter 2008

- One-off items and write-downs have a strong negative impact on the 4Q result.
- Continued strong growth. The Group's operating income increased to 354.7 MNOK (+23%).
- New financing of total 236 MNOK established to fund the production growth in 2009/2010.
- The depreciation of NOK in 4Q has caused a temporary unrealized currency loss of 140 MNOK.
- Write-downs of goodwill and license values in Finnmark (value adjustment) of in total 200 MNOK.
- Underlying improvement in seawater production, in particular in Norway.

Results 4 quarter 2008

In 4 quarter 2008, Grieg Seafood realized an EBIT before IFRS adjustments of biomass of -245.6 MNOK, compared to 5.6 MNOK in 4 quarter 2007. The result has been charged with considerable write-downs on asset values in Finnmark as well as biomass values, predominantly in the Shetlands. In total the write-downs amount to 246 MNOK in the quarter. The Group's operating income increased with 23% to 354.7 MNOK in the quarter. EBIT per kg before IFRS adjustments of biomass values was -3.7 NOK, compared to 0.55 NOK in 2007. The latter figures do not include the write-down of asset values in Finnmark.

The result in Rogaland is negatively influenced by harvesting out sites previously hit hard by Pancrease Disease (PD), while the underlying biological production in Rogaland has shown considerable improvement in the quarter. In the quarter, both Rogaland and Finnmark has underlying improvements in the production and declining production costs.

In Canada the quarterly result was negatively influenced by a weaker US market and a temporary sharp decline in realized sales prices, caused by a high market supply of small fish from Chile.

The salmon market in 4th quarter was mixed, but with continued good prices both in Norway and the UK, supported by weaker local currencies.

In the beginning of 2009, Grieg Seafood established an extended financing in the total amount of 236 MNOK. This consists of increased credit facilities from the bank syndicate as well as a subordinated convertible bond issue. This should finance the company's production



growth in 2009/2010. The company's growth strategy is to a large extent implemented, and the focus going forward will be on improving profitability without increasing smolt entries nor the production.

The sharp depreciation of NOK vs. the currencies in which Grieg Seafood holds foreign exchange loans (mainly EUR and USD), caused the company a considerable temporary and unrealized currency loss in 4 quarter. This amounts to 140 MNOK. As per today, the foreign exchange rates have corrected considerably and the unrealized currency loss per today is reduced to appr. 70 MNOK.

Outlook

Grieg Seafood's growth strategy is to a large extent implemented. The growth in smolt entries will diminish and a large part of the investments have been implemented. However, there will still be a strong growth in production and harvest volumes during the next couple of years.

The company is now entering a phase where the focus on operations and profitability will be the main priority. Processes and projects to increase productivity and take out synergies and best practice across regions have been implemented. To support the implementation of a stronger operational and profitability focus, the organizational model has been adjusted.

The effect on the demand for salmon has so far not been significant. In some markets and market segments the effect has been somewhat larger. The supply growth in the salmon market is for the first time expected to be negative in 2009. This despite the fact that the Norwegian supply is expected to grow nicely. The serious ISA situation in Chile will probably lead to a considerable decline in the supply of salmon from Chile. Particularly this is expected to influence the US market positively when it comes to market balance and pricing. This will probably give some positive secondary effects also on other markets.

The increase in feed prices stopped during 4 quarter. We expect that feed prices will decline in the future in line with reduced raw material prices and reduced demand.

Expected harvest volume in 2009 will be close to 60,000 tons. Expected harvest volume in 2010 is still in the area of 70-75,000 tons.

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